

DECLARATION OF
17-19 TOWNHOUSE ROAD CONDOMINIUM

This Declaration of Condominium for **17-19 TOWNHOUSE ROAD CONDOMINIUM** (hereinafter referred to as "Declaration") is made this _____ day of November 2021 by MDR REHAB AND DEVELOPMENT, LLC, a New Hampshire Limited liability company, with mailing address of P.O. Box 653, Goffstown, NH 03045 (hereinafter, collectively referred to "Declarant", in accordance with the provisions of the aforesaid Declaration and the provisions of the New Hampshire Condominium Act, New Hampshire RSA Chapter 356-B hereby declares:

1. Submission of Property. The Declarant hereby submits to the provisions of the Condominium Act, approximately .216 acres, more or less, of land situate at Tax Map 105, Lot 54 Townhouse Road, Allenstown, Merrimack County, New Hampshire (being same as to Declarant by deed recorded in Merrimack County Registry of Deeds at Book 3733, Page 2213 on April 14, 2021 and more particularly described in Section 3.3 below and in Appendix A, together with all easements, rights and appurtenances thereto including but not Limited to those described in Appendix A (hereinafter referred to as the "Land") all of which are owned by Declarant in fee simple.

2. Definitions. As provided in section 12, I. of the Condominium Act capitalized terms not otherwise defined herein or in the Bylaws shall have the meanings specified in Section 3 of the Condominium Act. The following terms are expressly defined herein.

2.1 "Appendix A" means the description of Submitted Land, with any easement and rights thereon, and any appurtenances thereto, annexed to this Declaration as Appendix A as amended from time to time.

2.2 "Appendix B" means the Bylaws of **17-19 TOWNHOUSE ROAD CONDOMINIUM UNIT OWNERS ASSOCIATION** attached to this Declaration as Appendix B, as amended from time to time.

2.3 "Appendix C" means the List of Unit Numbers and Percentage Interest attached to this Declaration as Appendix C as amended from time to time.

2.4 "Appendix D" means the Detention Pond Inspections and Maintenance that is required to be performed by the initially by the Declarant until the Declarant has completed all Common Area improvements and then by the Association.

2.5 "Assessment" means that portion of the cost of maintaining, repairing, and managing the property, which is to be paid by the Unit Owner.

2.6 "Total Number of Units" means eight (8) Units is the total number of Units that may become part of the Condominium.

2.7 "Board of Directors" or "Board" means the board of directors of the Association.

2.8 "Bylaws" means the bylaws of the Association providing for the self-government of the Condominium attached to this Declaration as Appendix B as amended from time to time.

2.9 "Common Area" means all parts of the Land other than the Units, as more fully set forth in Section 3.5 of this Declaration and includes the Limited Common Area.

2.10 "Condominium" means 17-19 TOWNHOUSE ROAD CONDOMINIUM, the Condominium established by this Declaration, situate at 17-19 Townhouse Road, Allenstown, Merrimack County, New Hampshire on land shown on Allenstown Tax Map 105, as Lot 54, together with all improvements thereon, easement rights, and appurtenances belonging thereon, as amended by addition or withdrawal, from time to time.

2.11 "Condominium Act" means Chapter 356-B of the New Hampshire Revised Statutes Annotated (1984) as amended as of the date of this Declaration and as amended thereafter.

2.12 "Convertible Land" means a building site, which is or becomes a portion of the Common Area, within which additional Units and/or Limited Common Area may be created in accordance with the Condominium Act, the Declaration and the Bylaws. This Condominium does not have convertible land.

2.13 "Declarant" means MDR REHAB AND DEVELOPMENT, LLC, a New Hampshire Limited liability company, with mailing address of P.O. Box 653, Goffstown, New Hampshire 03045, and its successors and assigns as record Owner of the Declarant's rights hereunder.

2.14 "Declaration" means the Condominium Declaration of 17-19 TOWNHOUSE ROAD CONDOMINIUM, as amended from time to time.

2.15 "Land" shall mean the land situate at 17-19 Townhouse Road, Allenstown, Merrimack County, New Hampshire on land shown on Allenstown Tax Map 105, as Lot 54, together with all improvements thereon, easement rights, and appurtenances belonging thereon, as amended by addition or withdrawal, from time to time, as further described in the Submitted land described in Section 3.3, below and in Appendix A, together with all

easements, rights, and appurtenances, but exclusive of improvements.

2.16 "Limited Common Area" means a portion of the Common Area reserved for the exclusive use of those entitled to the use of one or more, but not all, of the Units.

2.17 "Majority of the Owners" means the Owners of the Units to which more than fifty (50%) percent of the votes in the Association appertain. Any specified percentage of the Owners means the Owners of Units to which the specified percentage of the votes in the Association appertains.

2.18 "Manager" means the professional manager or managing agent employed by the Board to manage the Condominium.

2.19 "Mortgage" means a real estate mortgage.

2.20 "Mortgagee" shall mean the holder of a real estate mortgage.

2.21 "Owner" or "Unit Owner" means any natural person or persons or any entity holding a fee simple title to a Condominium Unit. No Mortgagee shall be deemed to be an Owner until such Mortgagee has acquired such title pursuant to foreclosure or any procedure in lieu of foreclosure.

2.22 "Percentage Interest" or "Undivided Interest" means the interest of each Unit in the Common Area as set forth in Appendix C.

2.23 "Plan(s)" means the Condominium Site Plan, entitled: "CONDOMINIUM SITE PLAN TAX MAP 105 Lot 54 prepared for THE17-19 TOWNHOUSE ROAD CONDOMINIUM located at 17-19 Townhouse Road Allenstown, New Hampshire" dated October 28, 2021, prepared by S&H Land Services LLC, and recorded in the Merrimack County Registry of Deeds as Plan No _____ on _____ 2021. Plans also refer to "CONDOMINIUM FLOOR PLAN TAX MAP 105 Lot 54 prepared for THE17-19 TOWNHOUSE ROAD CONDOMINIUM located at 17-19 Townhouse Road Allenstown, New Hampshire" dated October 28, 2021, prepared by S&H Land Services LLC, and recorded in the Merrimack County Registry of Deeds as Plan No _____ on _____ 2021.

2.24 "Resolution" means any resolution adopted by the Board of Directors relative to the use of the Condominium provided they are not in conflict with the Condominium Act, the Declaration, the Bylaws or the Rules or the ordinances, regulations and rules of the Town of Allenstown.

2.25 "Rules" means those rules and regulations adopted from time to time by the Board of Directors relative to the use of the Condominium provided they are not in conflict with the Condominium Act, the Declaration, or the Bylaws.

2.26 "Site Plan and Floor Plan" or "Plans" means the plat of the entire Land described in the declaration and all floor plans attached hereto which are or are to be recorded in the

Merrimack County Registry of Deeds pursuant to the Declaration and the Condominium Act as amended from time to time; being the same as described in Article 2.23, entitled "Plans".

2.27 "Town" means the Town of Allenstown, Merrimack County, New Hampshire or any of its political subdivisions, commissions, boards or the like as the context may require.

2.28 "Unit" means a Unit as defined by the Condominium Act, used as a residence, which is bounded and described as shown on the Plans and as provided in Section 3.4.3, *et seq*, hereof.

2.29 "Unit Owners" Association" or "Association" means **17-19 TOWNHOUSE ROAD CONDOMINIUM UNIT OWNERS ASSOCIATION**, which is comprised of all of the Owners acting as a group in accordance with the Declaration, and/or the Bylaws.

3. Statutory Requirements. The following information is provided pursuant to the provisions of Section 16.1 of the Condominium Act:

3.1 Name. The name of the Condominium is the **17-19 TOWNHOUSE ROAD CONDOMINIUM**.

3.2 Location. The Condominium is located at 17-19 Townhouse Road, Allenstown, Merrimack County, New Hampshire (Tax Map 105, Lot 54).

3.3 Description of Submitted Land. A legal description by metes and bounds of the Land submitted to the Condominium along with all easements and rights and appurtenances thereto are contained in **Appendix A**.

3.4 Description of Units.

3.4.1 Number of Phases. All Units are already built as the date of this Declaration.

3.4.2 Buildings and Units. The Condominium consists of two (2) "townhouse style Condominium Units". The Submitted Land will have two (2) Units. All of the buildings have been already constructed on the Land. The location, Unit numbers, and dimensions of the buildings are as shown on the Plans. These buildings are of wood frame construction with basements and one bulkhead serving both units' basements for access to the outside from the basement.

3.4.3 Unit Boundaries. The boundaries of each Unit are as follows:

(a) **Horizontal Boundaries**

- i. Floor: The unfinished or undecorated interior surface of the lowermost basement floor.
- ii. Ceiling. The unfinished or undecorated interior surface of the uppermost ceiling,

(b) **Vertical Boundaries**

- i. Perimeter Walls: The unfinished interior surface thereof.
- ii. Exterior Doors and Door Frames: As to the exterior doors, the unfinished or undecorated exterior surface thereof; and as to door frames the unfinished or undecorated interior surface thereof.
- iii. Windows and Window Frames: The finished or decorated exterior surfaces of windows and window frames.

3.4.4 Units. The Unit numbers and dimensions and area of each Unit, and the room and floor layout are shown on the Site Plan and Floor Plans.

Each Unit has vinyl, clapboard style, siding.

Each of the two Units are served with municipal water and sewer, and on-site propane tanks for heat and hot water, and each Unit Owner is responsible for the costs of same serving their unit. Each Unit has access to internet, cable and telephone, connection and service to be paid by the particular Unit being served. Heat is provided by propane-fired hot air system with each Unit having its own furnace. Hot water provided by is by electric hot water tank. Each of the Units is hereby declared to be held in fee simple and may be retained, occupied, conveyed, transferred, encumbered, inherited, or devised in the same manner as any other parcel of real property independent of the other individual Units. **Appendix C** contains a list of all Units and their respective identifying numbers or Unit designations.

Each Unit shall include the portions of the building within its boundaries as described herein and the space enclosed by said boundaries, except any Common Area described in Section 3.5 herein and below which may be located therein; to wit: the Unit shall include finished interior surfaces of the perimeter walls, door frames, lowermost floor and uppermost ceiling of a Unit, consisting of, inter alia and as appropriate, all paint, paneling, wallpaper, finished flooring, carpeting, tiles and any other materials constituting any part of the finished surfaces thereof shall be deemed a part of such Unit.

The Owner of the Unit shall be deemed to own such finished interior surfaces and shall also be deemed to own the window glass of his Unit, the entrance doors, window frames (to the unfinished interior surface thereof), and doors connecting his Unit with the Limited Common Area reserved for his Unit, and the sinks and other plumbing facilities, and any appliances that may be located in his Unit and serving solely his Unit.

The Owner of a Unit shall be deemed not to own the decks, patios, outside grounds or driveway, parking spaces, any pipes, wires, cables, chutes, flues, conduits, sprinkler system other than individual heads, fire alarm system other than individual detectors, public utility lines, ventilation, or other ducts, bearing walls, bearing columns or structural portions of the building running through said Unit which are utilized for or serve more than one Unit or serve any portion of the Common Area, which items are by these presents hereby made a part of the Common Area. HOWEVER, each Unit Owner will own its own hot water heater, furnace and hot air system, and the Owner of such Unit shall be responsible for maintenance and

repair of same. Nor shall such unit boundaries include any patios, decks, and steps leading to them, if any, serving the Units, which shall be Limited Common Area.

3.5 Description of Common Area and Limited Common Area

3.5.1 Common Area consists of the entire Land other than the Units that may appear on the Plans, and includes, but not by way of limitation:

Parking spaces, driveways, utility lines leading from the street to the units, walkways, lawn area, and areas not assigned as Limited Common Area, shrubbery and other plantings, walkways and other land and interest in land included in the description in Appendix A; the municipal water and sewer lines, electrical and telephone systems serving the Condominium to the extent said systems are located within the Land and are not owned by the supplier of the utility service (but not including any portions thereof contained within and servicing a single Unit) but are common area to be maintained by the Unit Owners' Association;

the roofs, foundations, columns and supports of the building, the perimeter walls, ceilings and floors bordering each Unit to the unfinished interior surfaces thereof;

the pipes, ducts, flues, chutes, conduits, plumbing wires, meters, meter housing and other facilities, not owned by the supplier of the facility, for the furnishing of utility services or waste removal not located within a Unit and such facilities located within a Unit, which serve parts of the Condominium other than the Unit within which they are located;

all other parts of the Condominium including personal property acquired by the Association necessary or convenient to its existence, maintenance and safety, or normally in common use and including any other easements set forth in Appendix A.

3.5.2 Limited Common Area consists of the following:

Any driveways, parking spaces, patios, walkways, bulkheads, or decks, which as shown on the Plans bearing the same number as the Unit (s) they serve, and any other such improvement serving only a particular Unit are the Limited Common Area of the Unit (s) so designated and/or so served. Each Limited Common Area is owned in common by the Owners but is restricted to the use and benefit of the Unit(s), which it serves.

3.5.3 Use. The use of the Common Area shall be Limited to the Owners in residence, to their tenants in residence and to their guests, invitees and licensees. The use of each Limited Common Area shall be further restricted to the Owner of the Unit to which it is appurtenant, to his tenants in residence, and to his (their) guests, invitees and licensees. The use, including responsibilities for maintenance and repair, of the Common Area and the Limited Common Area shall be governed by the Bylaws, the Rules and the Resolutions. Owners of the Unit shall be responsible, pursuant to the Bylaws, Rules and Resolutions, for any damage to the Unit or Common Area or Limited Common Area by their guests, invitees, and licensees.

3.5.4 Rear Deck, Patio, Walkways and Driveway/Parking. Any deck, patio, walkway or driveway, and lawn attached to and/or servicing one particular Unit, shall be maintained by the Unit owner so serve, including that each Unit Owner shall be responsible to remove snow from their driveways, parking spaces, walkways, stoops, decks and porches and to clear and treat these areas in a manner to make them safe to use in the winter months. Each unit shall have parking spaces as shown on the Plans and no more. Each unit's parking shall be limited to parking for the unit owner, his/her family and guests, and tenants of the unit and his/her family and guests. Each unit owner shall mow and take care of its own limited common area yard.

3.6 Subsequent Assignment of Common Area as Limited Common Area. No Common Area may be subsequently assigned as Limited Common Area.

3.7 Allocation of Percentage Interests. An equal undivided interest in the Common Area shall be allocated to each Unit as described in Appendix C.

3.8 Statement of Purposes and Restrictions of Use. The Condominium and each of the Units are primarily intended for residential use and the following provisions, together with the provisions of the Bylaws, the Rules and the Resolutions are in furtherance of this purpose. The Units are two (2) bedroom Units and are restricted to remain no more than two (2) bedrooms.

3.8.1 Residential Use. Subject to the rights of Declarant pursuant to Section 25, et seq, each Unit shall be occupied and used only for residential purposes by the Owner and his family, or by tenants, guests, invitees or licensees of the Owner. This restriction shall not be construed to prohibit Owners from leasing their Units so long as the lessees thereof occupy and use the leased premises in accordance with the provisions hereof and further subject to the condition that leases or rental agreements for any Unit shall be in writing, shall be specifically subject to the constituent documents and shall be for a period of not less than thirty (30) days.

3.8.2 Easements for Structural Encroachments. None of the rights and obligations of the Owners created herein or in any deed conveying a Unit from the Original Declarant or Declarant to a purchaser thereof shall be altered in any way by encroachments as a result of construction, reconstruction, repair, renovations, restoration or replacement of any structure or improvement, or due to settling or shifting of any land, structure or improvement. There shall be valid easements for the Board of Directors of the Unit Owners' Association to enter into the other unit for the maintenance of such encroachments so long as they shall exist; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful conduct of said Owner or Owners.

3.8.3 Easements for Pipes, Ducts, Cables, Wires, Conduits, Utility Lines, and Other Common Area Located Inside of Units and support. Each Unit Owner shall have an easement in common with the Owners of all other Units to use, access and maintain all water and other meters, and all pipes, wires, ducts, cables, conduits, utility lines and other Common Area located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, ducts, cable, wires, conduits, utility lines and other Common Area serving such other Units and located in such

Unit. The Board of Directors shall have a right of access to each Unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common Area contained therein or elsewhere in the buildings. Every portion of the Unit, which contributes to the structural support of a building, shall be burdened with an easement of structural support for the benefit of all other Units and the Common Area.

3.8.4 Trash Containment and Removal. Each unit shall keep its refuse and trash inside their garage in appropriate, covered trash containers. On at least a once per week basis, each unit owner shall be responsible for removing trash from the unit and from the grounds of the condominium at his/her sole cost and expense.

3.8.5 Units Subject to Declaration, Bylaws, Rules and Resolutions.

- (a) The Declaration, the Bylaws, the Rules and the Resolutions, as amended from time to time, all contain or will contain certain restrictions as to use of the Units or other parts of the Condominium. The Association is empowered to adopt and amend, from time to time, rules and regulations concerning the use of the Condominium, which rules, and regulations shall not be violated.
- (b) The Declarant, all present or future Unit Owners, tenants and occupants of Units, or any other person who might use the facilities of the Land in any manner are subject to the provisions of the Declaration, the Bylaws, the Rules and the Resolutions. The acceptance or the entering into occupancy of any Unit shall constitute an agreement that the provisions of the Declaration, the Bylaws, the Rules and the Resolutions, as they may be lawfully amended from time to time are accepted and ratified by such Owner, tenant or occupant, and all of such provisions shall be deemed and taken to be enforceable servitudes and covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed of conveyance or lease thereof.
- (c) Failure to comply with the Declaration, Bylaws, Rules or Resolutions shall be grounds for an action to recover sums due for damages or for injunctive relief or for any other remedy available at law or in equity, maintainable by the Association, or by its Board of Directors or any Manager on behalf of the Association or in the proper case, by one or more aggrieved Unit Owners on their own behalf or as a class action. All such actions, in law or at equity (except as appropriate for such action of Unit Owners) shall be authorized by Resolution of the Board of Directors and whosoever maintains such action shall be entitled to recover all reasonable costs and expenses of such actions, including reasonable attorneys' fees.
- (d) The Declaration, the Bylaws, the Rules and the Resolutions, as amended from time to time, are also expressly declared to be for the benefit of the Town of Allenstown and any other commission, board and/or agency of the Town of Allenstown and may be enforced by an action at law or in equity by the Town of Allenstown or an appropriate commission, board, agency or officer of the Town of Allenstown. The Town shall have reasonable access to the premises,

or any part thereof, for such inspection as may be needed to enforce the Declaration, the Bylaws, the Rules and the Resolutions, as amended from time to time. If the Town maintains such an action and prevails, it shall be entitled to recover all reasonable costs and expenses of such an action, including reasonable attorneys' fees. The rights of enforcement and access given to the Town of Allenstown, its Commission, Boards, Agencies, and Officers are exercisable by the Town of Allenstown and/or its Commissions, Boards, Agencies, and Officers in their sole discretion. The Town of Allenstown, its Commission, Boards, Agencies and Officers are not obligated to exercise any right granted to them by this Declaration, and by accepting title to Units subject to this Declaration, all Unit Owners hereby release the Town of Allenstown, its Commissions, Boards, Agencies, Officers and Employees from any and all claims, actions, causes of action, or any other liability arising from the exercise by the Town of Allenstown or failure to exercise such rights.

3.8.6 Easements for Ingress and Egress and Use.

- (a) Each Unit Owner shall have an easement in common with the Owners of all other Units for ingress and egress through, and use and enjoyment of, all Common Area by persons lawfully using or entitled to same. Each Unit and Common Area shall be subject to an easement for ingress and egress through, and use and enjoyment of, all Common Area by persons lawfully using or entitled to same, including without limitation employees and other agents of utility companies in performance of their duties.
- (b) The Board of Directors, if any, or if not, the Association, shall have the right to grant permits, licenses and easements over the Common Area for the installation, construction, maintenance, repair and replacement of utilities and for other purposes reasonably necessary or useful for the proper maintenance or operation of the Condominium.
- (c) The Town of Allenstown, its employees, agents or representatives shall have the right to enter onto all Common Area for the purpose of providing inspections, and emergency services, including but not limited to police, fire and ambulance service to the Unit Owners and for the purpose of inspection, installation, maintenance, repair and replacement of the water supply, sewerage and drainage systems and any other utilities servicing the Condominium, together with the inspection of all structures and other improvements on the Land. Each Unit Owner agrees to maintain the entry lock system approved by the Association which will have a master key that can be used to gain access only in the case of an emergency. The master key will be maintained in a secured lock box.

3.8.7 Property Subject to Covenants, Easements and Restrictions of Record. The submission of the property is subject to any covenants, conditions, easements and restrictions of record.

3.8.8 Restriction of Rental Units. No more than one hundred percent (100%) of the completed buildings in the Condominium shall be used by the Declarant or any person having a beneficial interest in the Declarant for rental purposes, unless a smaller percentage is required for a Unit to qualify for FHA financing, in which case, the smaller percentage shall be controlling.

3.8.9 Lateral and Subjacent Support. Each Unit and Common Area shall have and be subject to an easement for lateral and subjacent support from every other Unit and Common Area.

3.8.10 Easement to Facilitate Completion of Sales. Declarant shall be deemed to be the Owner of any Units which have been completely constructed but not sold and conveyed. Declarant and its duly authorized agents, representatives (including independent contractors), successors and assigns, may make such reasonable use of the Condominium as may facilitate the completion of construction and both Units and Common Areas, and the sale and conveyance of unsold Units, including, without limiting the generality of the foregoing, the right to enter all Units and Common Area for construction purposes, and the right to store materials, maintain a sales office, a rental office and/or a model Unit or model Units, to show the property and to display signs. The Declarant is fully obligated to complete any buildings containing Units on any portion of the Land labeled "NOT YET COMPLETED" on the Site Plan. In addition, the Declarant and its agents, representatives (including independent contractors) and assigns shall have the right to use any and all unsold and unconveyed Unit or Units as sales offices and model Units. Such Units shall be Units within the meaning of this Declaration and the Condominium Act, and not parts of the Common Area. The Declarant shall have the absolute right to convey or lease such Units. Further, the Declarant reserves the right to enter into certain agreements with other Owners who may agree to lease their Units to the Declarant for use by the Declarant as model Units and/or sales offices.

4. Insurance and Determination of Action Following Casualty Damage.

4.1 General Insurance Provisions. To the extent reasonably available, the Board of Directors shall obtain and maintain insurance coverage as set forth in this article. If such insurance is not reasonably available, and the Board of Directors determines that any insurance described herein will not be maintained, the Board shall cause notice of that fact to be hand-delivered or sent postage prepaid by United States mail to all Unit Owners and eligible mortgagees at their respective last known addresses.

4.2 Specific Provisions. To the extent reasonably possible, insurance policies required and obtained under this article shall provide the following:

- (a) The insurer waives the right to subrogation under the policy against a Unit Owner or member of the household of a Unit, Owner;
- (b) An act or omission by a Unit Owner, unless acting within the scope of the Unit Owner's authority on behalf of the Association, will not void the policy or be a condition to recovery under the policy;
- (c) If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the Association's

policy shall provide primary insurance;

- (d) Loss must be adjusted with the Association;
- (e) Each Unit Owner shall be an insured person under the policy with respect to liability arising out of the Unit Owner's interest in the Common Area or membership in the Association;
- (f) The insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the following at their last known addresses:
 - (i) The Association,
 - (ii) Each Unit Owner, and
 - (iii) Each eligible mortgagee, who term shall mean each holder of a mortgage or security interest in a Unit or the Common Area to whom a certificate or memorandum of insurance has been issued.

4.3 Annual Review. The Board shall review with the insurer or insurance agent, at least annually, the types and amounts of coverage under any insurance policies obtained pursuant to this article. The Board is further authorized to obtain appraisals periodically for the purposes of establishing full replacement value and actual cash value of any of the properties-insured under this article. The Board shall send written notice of the obtaining of any insurance under this article, or of any subsequent change or termination of that insurance to each Unit Owner and to each eligible mortgagee.

4.4 Insurance Payable to the Board. Insurance proceeds payable under any policy of casualty insurance obtained under this article shall be payable to the Board of Directors as insurance trustee to be held in trust for each Unit Owner and such Unit Owner's mortgagee.

4.5 Deductible. The maximum deductible for insurance policies obtained under this article shall be Ten Thousand Dollars (\$10,000.00) or One Percent (1%) of the policy face amount, whichever is less. Of the deductible portion, Two Thousand Dollars (\$2,000.00) per Unit Owner affected shall be paid by the Unit Owners suffering the loss. The difference between the policy deductible and the said \$2,000.00 per Unit Owner affected shall be paid by the Association as a common expense.

4.6 Premiums. Premiums for insurance obtained under this article shall be a common expense.

4.7.1 Obligation to Repair. In the event of damage to any portion of the Condominium by fire or other casualty, the proceeds of the Master Casualty Policy shall, pursuant to Section 43, of the Condominium Act, be used to repair, replace or restore the structure or Common Area damaged unless the Unit Owners vote to terminate the Condominium pursuant is to Section 34 of the Condominium Act.

4.7.2 Vote to Terminate after Fire or Other Casualty. In the event that the Unit Owners vote to terminate the Condominium following a fire or loss, the Board of Directors shall immediately remove or arrange for the removal of all debris from the land and fill in or otherwise secure any foundation or basement holes so as to be in safe condition.

4.8 Attorney-in-fact. The Board of Directors is hereby irrevocably appointed the attorney-in-fact for each Owner of a Unit and for each Mortgagee of a Unit and for each Owner of any other interest in the Condominium to adjust all claims arising under such policy, or otherwise resulting from such damage, and to execute and deliver releases upon the payment of claims. Insurance proceeds shall be payable and paid, not to the Board of Directors, but to a banking institution as Manager for the benefit of the Association, the Unit Owners, or any Mortgagee as their interests may appear. The procedure for making repairs after such damage is specified in the Bylaws.

4.9 Unit Owner's Insurance.

- (a) Each Unit Owner, at that Owner's own expense, shall obtain additional property insurance with Special Broad Form Coverage covering any of the property, whether real or personal, of the Unit Owner that is not covered by the insurance obtained by the Board. Each Unit Owner shall also obtain and maintain a policy of general liability insurance for that Owner's benefit. Each Owner shall provide the Association with a certificate of all property insurance obtained by said Owner, except for policies that cover only personal property owned by said Unit Owner.
- (b) Each Unit Owner shall notify the Board of Directors within five (5) days after the commencement of construction of any improvements to his Unit, which exceed a total value of Two Thousand Dollars (\$2,000.00). Upon receipt of such notice, the Board shall notify the Association's insurer of such improvements. The Board of Directors is hereby authorized to make a special assessment against that Unit Owner for any increased insurance premium for the insurance maintained by the Association due to the improvements made by the Unit Owner. In the event the Unit Owner does not notify the Board of Directors of the improvements, that Unit Owner shall bear the entire risk of loss for all improvements made to that Unit that were not the subject of notice to the Board.
- (c) No Unit Owner shall be entitled to exercise its right to maintain insurance coverage in such a way as to decrease the amount of insurance that the Board of Directors, on behalf of all of the Unit Owners, may realize under any insurance policy that the Board of Directors may have in force covering the Condominium or any part thereof at any time. In the event there is any such decrease in the amount of the Association's insurance coverage due to such coverage obtained by an individual Owner, any proceeds from the insurance obtained by that individual Owner shall be assigned to the Board as insurance trustee to the extent that any such policy does, in fact, result in a decrease in such Association coverage.

4.10 Insurance to be Obtained. The Board of Directors shall obtain and maintain at all times insurance of the types and kinds provided for herein and including insurance for such other risks of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other property similar to the Condominium in construction, design, and use.

4.11 Property Insurance. Property insurance with Broad Form Special Coverage insuring the buildings and Common Area of the Condominium, and the fixtures, installations, or additions comprising a part of the building within the unfinished interior surfaces of the perimeter walls, floors, and ceilings of individual Condominium Units initially installed or replacements thereof, in accordance with the original Condominium plans and specifications, or as installed by or at the expense of the Unit Owners. Such insurance shall be in an amount at least equal to the full replacement value of the real property insured or the actual cash value of any personal property insured hereunder.

4.12 Public Liability Insurance. Public liability insurance in such amounts as the Board may from time to time determine but in no event shall the limits of liability be less than One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) aggregate for bodily injury and property damage. Any insurance obtained hereunder shall name as the insured, the Association, any officer or member-of its Board of Directors while acting within the scope of their duties, any employee of the Association while acting within the scope of the employee's duties, any manager of the Association, and each Unit Owner, but only with respect to that Unit Owner's liability arising out of the Ownership, maintenance, or repair of that portion of the Condominium which is not reserved for that Owner's exclusive use or occupancy. Such policy shall contain cross liability coverage with respect to liability claims of anyone insured thereunder against any other insured.

4.13 Fidelity Insurance. Comprehensive commercial crime coverage or a blanket fidelity bond shall be obtained for anyone who either handles or is responsible for funds held or administered by the Association, whether or not they receive compensation for their services. The insurance or bond obtained hereunder shall name the Association as insured or obligee and shall cover the maximum funds that will be in the custody of the Association or any manager at any time while the insurance or the bond is in force, and in no event less than the sum of three months assessments plus reserve funds. The policy or bond shall include a provision that calls for at least thirty (30) days written notice to the Association and to each eligible mortgagee before the same can be cancelled or substantially modified for any reason, except that coverage under said insurance or bond may be deemed terminated as to any employee as soon as the insured shall learn of any dishonest or fraudulent act on the part of such employee, provided such termination is without prejudice to the loss of any property then in transit in the custody of such employee.

4.14 Workers' Compensation Insurance. The Board shall, as needed, obtain workers' compensation insurance to meet the requirements of the laws of the state of New Hampshire.

4.15 Directors' and Officers' Liability Insurance. The Board shall, to the extent the same is available, obtain and maintain directors' and officers' liability insurance covering all of the directors and officers of the Association in such limits as the Board may, from time to time, determine.

4.16 Other Insurance. The Association may obtain and maintain other insurance, which the Board considers appropriate to protect the Association or the Unit Owners.

4.17 Procedures in the Event of Damage or Destruction.

4.17.1 Duty to Restore. A portion of the Condominium for which insurance is required under the Condominium Act, or for which insurance carried by the Association is in effect, whichever is more extensive, that is damaged or destroyed must be repaired or replaced promptly by the Association unless:

- (a) The Condominium is terminated;
- (b) Repair or replacement would be prohibited by statute or municipal ordinance governing health or safety; or
- (c) Eighty Percent (80%) of the Unit Owners, including each Owner of a Unit or assigned Limited Common Area that was not built, vote not to rebuild.

4.17.2 Cost. The cost of repair or replacement in excess of insurance proceeds and reserves shall be a common expense except for repairs or replacement of improvements to individual Units, notice of which was not given to the Board of Directors.

4.17.3 Plans. The Condominium must be repaired and restored in accordance with either, the original plans and specifications or other plans and specifications which have been approved by the Board of Directors, a majority of the Unit Owners, the Town of Allentown, if applicable, and fifty-one percent (51%) of eligible mortgagees.

4.17.4 Replacement of Less Than Entire Property. The insurance proceeds attributable to the damaged Common Area shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium. Except to the extent that other persons will be distributees, (i) the insurance proceeds attributable to a Unit and Limited Common Area that are not rebuilt must be distributed to the Owner of the Unit and the Owner of the Unit to which the Limited Common Area was allocated, or to lien holders, as their interests may appear, and (ii) the remainder of the proceeds must be distributed to each Unit Owner or lien holder as their interests may appear, in proportion to the Common Area interests of all the Units. If the Unit Owners vote not to rebuild a Unit; the undivided interest in the Common Area appertaining to such Unit shall be reallocated in the same manner as if the Unit had been taken by eminent domain and the Association shall promptly prepare, execute, and record an amendment to the Declaration reflecting the reallocations.

4.17.5 Insurance Proceeds. The trustee or if there is no trustee, then the Board of Directors of the Association, acting by the President shall hold any insurance proceeds in trust for the Association, Unit Owners, and lien holders as their interests may appear. Subject to the provisions of subsections 4.17.1 of this Declaration, the proceeds shall be disbursed first for the repair or restoration of the damaged property, and the Association, Unit Owners and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored, or the Condominium is terminated.

4.17.6 Certificates by the Board. The trustee, if any, may rely on the following certifications in writing made by the Board of Directors:

- (a) Whether or not damaged or destroyed property is to be repaired or restored;
- (b) The amount or amounts to be paid for repairs or restoration and the names and addresses of the parties to whom such amounts are to be paid.

4.17.7 Certificates of Ownership. If payments are to be made to Unit Owners or mortgagees, the Board, and the trustee, if any, shall obtain and may rely upon an attorney's certificate of title based on a search of the records in the Merrimack County Registry of Deeds from the date of recording of the original Declaration stating the names of the Unit Owners and the mortgages.

5. Conversion of Convertible Land. There is no convertible land in the 17-19 TOWNHOUSE ROAD CONDOMINIUM.

6. No Partition or Revocation. The Common Area shall remain undivided and no Unit Owner or any other Person shall bring any action for partition or division thereof, nor shall the Common Area be abandoned by act or omission, unless the Condominium is terminated pursuant to Section 34 of the Condominium Act.

7.1 Consent of 80 % First Mortgagees. Except as provided in the Condominium Act in the cases of condemnation or substantial loss to the Units and/or Common Area, and notwithstanding any other provision of the Declaration, Bylaws, Rules or Resolutions, unless at least 80% of the first mortgagees (based upon one vote for each first mortgage owned) have given their prior written approval, the Owners and the Association shall not be entitled to:

- (a) By act or omission seek to abandon or terminate the Condominium regime;
- (b) Except as otherwise provided in the Condominium Act, change the prorated interest or obligations of any Unit (i) for the purpose of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or (ii) for determining the prorata share of each Unit in the Common Area;
- (c) Partition or subdivide any Unit;
- (d) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area by the Condominium, the granting of easements as described in Sections 3.8.9, et seq., and Section 5, et seq herein and the dedication of Common Areas as provided in any other section of this Declaration, shall not be deemed a transfer within the meaning of this clause. ; or

- (e) Use hazard insurance proceeds for losses to the Condominium (whether to Units or to Common Area) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in case of substantial loss to the Units and/or Common Area.

7.2 Consent of 51% First Mortgages. Except as provided in the Condominium Act in the cases of condemnation or substantial loss to the Units and/or Common Area, and notwithstanding any other provision of the Declaration, Bylaws, Rules or Resolutions, unless at least 51% of the first mortgagees (based upon one vote for each first mortgage owned) have given their prior written approval, the Owners and the Association shall not be entitled to:

- (a) Amend, modify or otherwise change any rights or obligations under this Declaration or the Bylaws.

8. Priority of First Mortgages. No provision of the Declaration, the Bylaws, the Rules or the Resolutions shall be construed to grant to any Unit Owner, or to any other Person, any priority over any rights of first Mortgagees of the Condominium Units pursuant to their first Mortgages in the case of the distribution to Unit Owners of insurance proceeds amounts to be paid upon liquidation of the Condominium or condemnation awards for losses to, or a taking of, Units, and/or the Common Area or any portion thereof.

9. Contracts, Leases.

9.1 Notwithstanding any provision in the Declaration, the Bylaws, the Rules or the Regulations, to the contrary, neither Declarant nor the Board of Directors may bind the Association, prior to passage of control of the Condominium to that Association, to any contracts or leases (including management contracts) unless the Association is provided a right of termination of any such contract or lease, without cause, exercisable without penalty at any time after transfer of control, upon not more than ninety (90) days' notice to the other party thereto.

9.2 All leases or rental agreements for any Unit shall be in writing, shall be specifically subject to the constituent documents and shall be for a period of not less than thirty (30) days.

10. FHLMC and FNMA Provisions. Notwithstanding anything to the contrary contained elsewhere in this Declaration, the following provisions shall govern and be applicable insofar and for so long as the same are required in order to qualify Mortgages of Units in 17-19 TOWNHOUSE ROAD CONDOMINIUM for sale to the Federal Home Loan Mortgage Corporation (FHLMC) and to Federal National Mortgage Association (FNMA) under laws and regulations applicable thereto, to wit:

- (a) A first Mortgagee of a Unit shall, at the request of such Mortgagee, be entitled to written notification of: (i) any default by the Mortgagor of such Unit in the performance of such Mortgagor's obligations under this Declaration, which is not cured within sixty (60) days; (ii) any condemnation or loss which affects a material portion of the Property or such Unit on which such first mortgage holds a first mortgage lien; (iii) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the

Association; and (iv) any action for which the consent of the first mortgagees is required;

- (b) First Mortgagees of Units shall have the right to examine the books and records of the Directors upon sixty (60) day written request.
- (c) No provision of any Deed or the Declaration shall be deemed or construed to give a Unit Owner or any other party priority over any rights of first Mortgagees of Units pursuant to their Mortgages in the case of a distribution to Unit Owners of insurance proceeds or condemnation awards for loss to or a taking of Units and/or common elements.
- (d) Any agreement for professional management of the Condominium or any other contract providing for Declarant or Association must provide for termination on ninety (90) days written notice, and a maximum contract term of (2) years.
- (e) Any first mortgagee of a Unit in the Condominium who obtains title to the Unit pursuant to remedies provided in the mortgage, or foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue prior to the acquisition of title of such Unit by the mortgagee, unless the mortgage has been properly noted pursuant to RSA 356:B – 46.

11. Notice of Proceedings. For the purpose of providing notice to certain individuals of proceedings before the Town of Allenstown Planning Board, Zoning Board of Adjustment and any other commission board, and/or agency of the Town of Allenstown or the like, as the context may require, the providing of notice to the Association, the Board of Directors or the presiding officer of the Association shall be deemed notice to each and every Owner and/or resident of the Condominium.

12. Amendment of Declaration and Bylaws.

12.1 Except as otherwise provided in the Condominium Act, the following shall apply to the amendment of the Condominium documents. The consent of Owners of Units to which at least eighty percent (80 %) of the votes in the Association are allocated and the approval of eligible holders of mortgages (as the term "eligible mortgage holder" is now or may at any time hereafter be defined in the FNMA Conventional Home Mortgage selling Contract Supplement) on Units which have at least seventy-five percent (75%) of the votes of Units subject to eligible holder mortgages, shall be required to terminate the legal status of the Condominium, including termination after substantial destruction or condemnation.

12.2 The consent of Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated and the approval of eligible holders holding mortgages on Units which have at least fifty-one percent (51%) of the votes of Units subject to eligible holder mortgages, shall be required to add or amend any material provisions of the Condominium documents of the Condominium, which establish, provide for, govern or regulate any of the following:

- (a) Voting;
- (b) Assessments, assessment liens or subordination of such liens;
- (c) Reserves for Maintenance, repair and replacement of the Common Areas (or Units if applicable);
- (d) Insurance or Fidelity Bonds;
- (e) Rights to use Common Areas or Limited Common Area;
- (f) Responsibility for maintenance and repair of the several portions of the Condominium;
- (g) Expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the project;
- (h) Boundaries of any Unit;
- (i) The interests in the Common Areas or Limited Common Areas;
- (j) Convertibility of Units into Common Area or of Common Area into Units;
- (k) Leasing of Unit estates;
- (l) Imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his or her Unit;
- (m) Any provisions that are for the express benefit of mortgage holders, eligible mortgage holders or eligible insurers or guarantors of first Mortgages on Units;
- (n) A decision by the Association to establish self-management;
- (o) Restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the documents;

12.3 Any eligible mortgage holder that does not deliver or post to the Association a negative response within sixty (60) days of a written request by the Association for approval of any addition or amendment pursuant to this Declaration shall be deemed to have consented to the addition or change set forth in such a request. An affidavit by an officer of the Association making reference to this Section, when recorded at the Merrimack County Registry of deeds, shall be conclusive as to the facts therein set forth as to all parties and may be relied upon pursuant to the applicable provisions hereof.

12.4 Notwithstanding the foregoing, so long as the Declarant is the Owner of one or more Units, no amendment to this Declaration, Bylaws or Rules may be adopted which could interfere with the construction, display, sale, lease or other disposition of such Unit or Units.

12.5 A modification or amendment of the Declaration or Bylaws shall become affective only when it has been duly evidenced in accordance with the provisions of Section 34 IV of the Condominium Act.

13. Owner's Obligation to Repair.

13.1 Owner's Obligation. Each Owner shall, at his own expense, keep his Condominium Unit and its alterations, appliances, fixtures, and improvements, including all partitions, windows, and doors, and other items that are not Common Area and are located within the boundaries of his Unit in good order, condition, and repair. Each Owner shall immediately notify the Board or its agents of any damage to or malfunction of any facilities for the furnishing of utility services or waste removal, which are Common Area within his Unit.

13.2 Board's Right to Maintain and to Make Repairs. The Association shall have the irrevocable right, to be reasonably exercised by the Board or its agents, to enter any Unit or Limited Common Area to inspect the same, to remove violations therefrom, or to perform any repair, maintenance, or construction for which the Board is responsible and shall have the irrevocable right, to be reasonably exercised by the Board or its agents, or by any two or more Unit Owners acting as a group, to enter any Condominium Unit or Limited Common Area for the purpose of making emergency repairs necessary to prevent damage to other parts of the Condominium. Such entry shall be made with as little inconvenience to the Unit Owner as practicable, and any damage caused thereby or expenses in connection therewith shall be repaired or satisfied by the Board out of the Common Expenses unless such emergency repairs are necessitated by the negligence of one or more Unit Owners, in which case the negligent Unit Owner or Unit Owners shall bear the expense of such repairs. In the event an Owner fails to make repairs to, his Unit after thirty (30) days written notice of the need for the same as given to him by the Board, the Board may enter the Unit and make such repairs, the full expense of which shall be borne by said Owner. The fire alarm and sprinkler system shall be maintained and tested on a regular basis as a common expense of the Association.

13.3 Evidence of Insurance. No Owner shall permit any repair or other work in his Unit by anyone unless such person or entity has furnished written evidence that it has obtained reasonably adequate public liability and workmen's compensation insurance in forms and amounts which are satisfactory to the Board, and unless such repair or other work is performed in compliance with governmental laws, ordinances, rules, and regulations.

14. Prohibition Against Structural and Exterior Changes. No Owner shall, without first satisfying the requirements regarding repair, or other work set forth in Article 13 above, and also not obtaining the written consent of the Board;

- (a) Make or permit to be made any structural alteration, improvement, or addition in or to his Condominium Unit or in or to any other part of the Condominium;
- (b) Tamper with any bearing wall or take any action or permit any action to be

taken that will impair the structural soundness or integrity or safety of the building or any other structure in the Condominium;

- (c) Impair any easement or right or personal property, which is a part of the Condominium;
- (d) Paint or decorate any portion of the exterior of the building or any other structure in the Condominium or any Common Area therein.

15. Assessments.

15.1 Each Unit Owner shall pay all Common Expenses assessed against him, all expenses for which he is liable, and all other assessments made against him by the Board in accordance with the terms of the Declaration and By-Laws and all expenses so incurred and sums so assessed but unpaid shall be secured by a lien as provided in RSA 356-B:46. No Owner shall convey, mortgage, sell, or lease his Condominium Unit unless and until he shall have paid in full to the Board all such expenses theretofore incurred and sums theretofore assessed by the Board against his Condominium Unit, which are due and unpaid. Any Unit Owner or purchaser of a Condominium Unit, having executed a contract for the disposition of said Condominium Unit, shall be entitled upon request to a recordable statement, signed by the Treasurer of the Association, setting forth the amount of the unpaid assessments currently levied against that Condominium Unit. Such request shall be in writing and shall be directed to the Board of Directors. The statement shall be binding on the Association, the Board of Directors, and every Unit Owner. Payment of a fee of Ten Dollars (\$10.00) or the maximum allowable under the Condominium Act, whichever is greater, shall be required as a prerequisite for issuance of such a statement. A purchaser of a Condominium Unit shall be liable for the payment of any such expenses or assessments against said Condominium Unit prior to its acquisition by him which are unpaid as of the time of said acquisition, whether or not such expenses or assessments are, then due, except that an institutional mortgagee or other purchaser at the foreclosure sale of said institutional mortgage or the grantee in a deed in lieu of such foreclosure shall not be liable for the payment of expenses or assessments unpaid and due as of the time of his acquisition, but shall be liable for unpaid expenses and assessments becoming due thereafter.

15.2 The Association shall have the right to charge interest at Eighteen (18%) per annum, or at the maximum lawful interest rate for unpaid Common Expenses or other expenses or assessments from the due date. In addition, it shall have the right to charge Unit Owners no more than \$25.00 for each duplicate billing charges plus other costs, including attorney's fees in the event the Association is required to proceed with collection to obtain payment of such expenses. A lien may be exercised for any unpaid Common Expense or other expenses or assessments or costs after thirty (30) days from the due date. The lien for unpaid Common Expenses or other expenses or assessments once perfected, shall have the priority set forth in RSA 356-B:46, I. The lien, including interest, costs and reasonable attorney's fees may be foreclosed in the manner provided by the laws of the state of New Hampshire for the foreclosure of power of sale mortgages, or by suit brought in the name of the Board of Directors, acting on behalf of the Association. The suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien securing the same, and foreclosure shall be available without bringing suit, to recover a money judgment.

15.3 The annual assessment may be increased by vote of the Unit Owners, as hereinafter provided, for each next succeeding one (1) year and at the end of each such period of one (1) year, for each succeeding period of one (1) year. The Board of Directors may, after consideration of current maintenance costs and future needs of the Association, fix the actual assessment for any year at a lesser amount. Subject to the limitations in this Section, and the periods herein specified, the Association may change the maximum and basis of the assessments fixed herein prospectively for any such period provided that any such change shall have the assent of two thirds (2/3) of the votes of the Unit Owners at a meeting duly called for this purpose, written notice of which meeting shall be sent to all Unit Owners in accordance with RSA 356-B: 37.

16. Invalidity. It is the intention of the Declarant that the provisions of this Declaration are severable so that if any provision, condition, covenant, or restriction hereof shall be invalid or void under any applicable federal, state or local law or ordinance, the remainder shall be unaffected thereby. In the event that any provision, condition, covenant or restriction hereof is, at the time of recording the Declaration, void, voidable or unenforceable as being contrary to any applicable law or ordinance, the Declarant, its successors and assigns and all persons claiming by, through or under this Declaration, the Association, Unit Owners and Declarant, or their successors and assigns, covenant and agree that any future amendments or supplements to the said laws having the effect of removing said invalidity, voidability, or unenforceability, shall be deemed to apply retrospectively to this Declaration thereby operating to validate the provisions of this instrument which otherwise might be invalid and it is covenanted and agreed that any such amendment and supplements to the said laws shall have the effect herein declared as fully as if they had been in effect at the time of this instrument.

17. Obligation to Complete. Once a particular phase is started, the Declarant, and its successors and assigns to the Development Rights of such phase, has the obligation to complete only that single, particular phase.

18. Waiver. No provisions contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same irrespective of the number of violations or breaches which may occur. The failure of the Board to insist, in any instance, upon the strict performance of any of the terms, covenants, conditions, or restrictions of this Declaration or of the By-Laws or to exercise any right herein or therein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment in the future of such term, covenant, condition, restriction, or right, but such term, covenant, condition, restriction, or right shall remain in full force and effect. The receipt by the Board of payment of any assessment from a Unit Owner with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach and no waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board.

19. Gender and Number. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine, masculine and neuter gender and the use of the singular shall be deemed to refer to the singular and plural, whenever the context so requires.

20. Limitation of Liability Relating to Unit Owners. The Unit Owners shall not assume responsibility, or any liability of the Declarant as defined in this Declaration or in New Hampshire RSA 356-B. This limitation includes though is not Limited to any warranty associated with the construction and sale of Condominium Units to consumer purchasers.

21. Liability of the Board. Members of the Board shall not be liable to the Unit Owners for any mistake of judgment, negligence, or other except for their own individual willfulness, misconduct or bad faith and except as provided for below. The Owners shall indemnify and hold harmless each of the members of the Board against all contractual liability to others arising out of contracts made by the Board on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of the By-Laws. It is permissible for the members of the Board, who are Directors or Officers of the Declarant, to contract with the Declarant and affiliated corporations without fear of being charged with self-dealing. It is intended that the members of the Board shall have no personal liability, other than as Unit Owners, with respect to any contract made by them on behalf of The Condominium, except with respect to any such contract made in bad faith or contrary to the provisions of the Declaration or of the By-Laws. It is also intended that the personal liability of each Unit Owner arising out of any contract made by the Board or out of the aforesaid indemnity in favor of the members of the Board shall be Limited to such proportion of the total liability thereunder as his interest in the Common Area bears to the, interests of all the Unit Owners in the Common Area (except that the personal liability of Unit Owners who are members of the Board and who contract in bad faith or contrary to the provisions of the Declaration or of the By-Laws shall not be so Limited). The provisions of this Article do not apply to and shall not preclude claims for property damage and personal injury by Unit Owners against the Board or any other insured under the liability insurance required by this Declaration and the Bylaws.

22. Enforcement. Each Owner shall comply strictly with the provisions of this Declaration, the By-Laws, and the Condominium Regulations as the same may be lawfully amended from time to time and with decisions adopted pursuant to said Declaration, By-Laws, and Condominium Regulations and failure-to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Board on behalf of the Unit Owners, or in a proper case, by an aggrieved Unit Owner.

23. Site and Floor Plan References. The site and floor plans for 17-19 TOWNHOUSE ROAD CONDOMINIUM are recorded at the Merrimack County Registry of Deed as Plan No. _____ (site plan) and Plan No. _____ (floor plan).

24. By-Laws. The By-Laws shall be as set forth in Exhibit B attached hereto. The By-Laws may be amended as set forth therein or in the Act at any meeting of the Association provided a copy of the proposed amendment has been included in the written notice of the meeting as provided for in RSA 356-B:37. Any amendment shall be effective upon recording in the Merrimack County Registry of Deeds. Where a conflict exists between the Bylaws and this Declaration, the Declaration shall be controlling.

25. Specific Declarant Rights.

25.1 Control by the Declarant. The Declarant shall have the right to appoint the Board of Directors of the Unit Owner's Association and to exercise the powers and responsibilities assigned by the Condominium Instruments and by RSA 356-B, to the Unit Owner's Association, the officers or the Board of Directors, either directly or through its appointed manager. The right to control herein reserved to the Declarant shall continue for a period of two (2) years from the date of recording this Declaration, or until 4 Units have been conveyed to non-declarant unit owners, whichever occurs first. The Declarant shall, during this period, have the right to appoint the manager and exercise all functions of the Board of the Association as provided in RSA 356-B:36. In the event of foreclosure by the mortgagee holding a blanket mortgage on the Condominium during the period of control by the Declarant, all officers and directors appointed by the Declarant shall immediately resign. During this period of control, Declarant alone, or its assigns, without the consent of any Unit Owner, or the Association or the Board of Directors of the Association, or the Mortgagee(s) holding mortgages encumbering any Unit or Common Area, unless such consent may be exercised by the Declarant or its assigns by virtue of the control reserved through this Article 25, *et seq.*, may grant any easement or right on, over, or within the Common Area. This right to control by the Declarant is assignable without the consent of any Unit Owner, Association or Board of Directors of the Association or said Mortgagee(s).

25.2 Maintenance and Assessments by the Declarant. The Declarant shall be responsible for the pro-rata costs (as allocated for Percentage Interest in Appendix C) of maintenance and/or Common Area expenses of each Unit it owns in each Phase it has started, provided such Unit has a Certificate of Occupancy, but Declarant shall be responsible only until such time as it no longer owns such Unit in said Phase. Once Declarant no longer owns any Unit in said Phase, the maintenance and Common Area charges shall be paid exclusively by the Unit Owners of completed residential Units in all of the Phases pursuant to the Percentage Interest allocations in Appendix C. However, Declarant shall not be charged or obligated to pay any assessment or reserves for Units that do not have a Certificate of Occupancy for any month for which an assessment shall be made. For any Units that have a Certificate of Occupancy, but have not yet sold, Declarant shall be charged a portion of the monthly assessment equal to that Unit's share of the insurance premium. However, if Declarant shall allow any Units to be occupied prior to sale, then Declarant shall be charged the regular assessment for that Unit. Declarant shall not be responsible to pay monthly assessments for unsold Units except as hereinbefore provided but shall be responsible.

for any deficit or shortfall in the common expense fund that may arise during the period of time when the Declarant shall control the Unit Owners Association. Initially, assessments shall commence on the date of the sale of the first Unit, in each phase.

25.3 Voting Rights. The Declarant shall be deemed to be the Unit Owner of any Unit not sold by the Declarant for voting purpose or other purposes.

25.4 Use by Declarant. Notwithstanding any other provision contained in this Declaration, the Declarant expressly reserves for itself, its representatives and assigns, the

right to use one or more of the Units and the Common Area for the purpose of maintaining a sales, rental and management facility on the premises, including, without limitation, the showing of property and the displaying of signs; however, all of the foregoing shall not substantially interfere with the comfortable and convenient use of the Units by the respective Unit Owners.

26. Arbitration. In the event of a dispute (a) between the Owners of the Units or (b) as to any matter involving the Condominium generally, any of the disputing parties at his option may refer the matter to binding arbitration by sending written notice requesting arbitration to the other party, which notice shall name one arbitrator who shall be an attorney licensed to practice law in the State of New Hampshire. Within fourteen (14) calendar days after receiving such notice, the other party shall by written notice to the requesting party name a second arbitrator who shall likewise be an attorney licensed to practice law in the State of New Hampshire, failing which, the first arbitrator appointed shall appoint such second arbitrator. If the two Arbitrators thus appointed are unable, within fourteen (14) calendar days after the date of the appointment of the second arbitrator to be appointed, to agree upon a settlement to the dispute, they shall the appoint an impartial third arbitrator within twenty (20) calendar days after the said date of appointment of the second arbitrator. The third arbitrator need not be an attorney, but he shall be someone who is qualified by his profession to deal with the matter in dispute. If the two arbitrators cannot agree on a third arbitrator and if they fail to act to appoint him within said twenty (20) day period, then either party may apply to the Superior Court of the county in which the Condominium is situate, for the appointment of the arbitrators whether it may be by agreement of the first two arbitrators or, failing which, by the decision of the third arbitrator, shall be conclusive and binding upon all parties to the dispute, and any such decision shall be enforced by any court of competent jurisdiction. Each party shall pay for the fees and other costs of the arbitrator appointed by him or for him (should he fail to duly make the appointment), and the fees and costs of the impartial arbitrator shall be a common expense of the Condominium. The Town of Allenstown may decline arbitration, in its sole discretion, in the event of a dispute involving the Town of Allenstown.

27. Limitation of Town of Allenstown Jurisdiction and Authority. By accepting title to a Unit, all Unit Owners acknowledge that the Town of Allenstown does not have any jurisdiction or authority to resolve any disputes between the Unit Owners, or between a Unit Owner and the Association or the Board of Directors, relating to the Declaration, the Bylaws, the Plans, or any Rules or Regulations or Resolutions, or any other matter pertaining to the use of the Condominium or the actions of the Unit Owners, the Association, the Board of Directors, or the Officers of the Association.

28. SPECIAL CONDITION REGARDING BUDGET AND ASSESSMENTS. Notwithstanding any provision otherwise contained in the Declaration or Bylaws, the Condominium Unit Owners Association and/or its Board of Directors shall have no authority to create and shall not create a budget or assess a monthly or periodic condominium fee against the unit owners, until an amendment to this Declaration is recorded in Merrimack County Registry of Deeds authorizing and directing the Condominium Unit Owners Association and/or its Board of Directors to create and create a budget and assess a monthly or periodic condominium fee against the unit owners. Until such amendment is recorded, each Unit owner shall be responsible, at their sole cost

and expense for the maintenance and repair of their own unit, their limited common area appurtenant to their own respective units, excepting however, any major repair of the deck, sidewalks, stoop, driveway and parking spaces shall remain the responsibility of the Condominium Unit Owners Association, at its cost, to make. HOWEVER, this Article 28 does not preclude the Board of Directors making special assessments against units and unit owners pursuant to BYLAWS Article V, Pargaraph 5 for repair, improvements and additions of/to the common area. To the extent applicable where any term of this Article 28 conflicts with any term contained in either the Declaration or Bylaws, the terms contained herein shall be controlling.

IN WITNESS WHEREOF, the Declarant has caused the Declaration to be executed this ____ day of _____, 2021.

DECLARANT OF 17-19 TOWNHOUSE ROAD CONDOMINIUM:

MDR REHAB AND CONSTRUCTION, LLC

By: _____

Name: Raymond McMahon, Manager
Duly authorized

Witness

COUNTY OF HILLSBOROUGH

STATE OF NEW HAMPSHIRE

Then personally appeared before me, the undersigned officer, the above-named Raymond McMahon, Manager of MDR Rehab and Construction, LLC known to me to be Declarant of 17-19 TOWNHOUSE ROAD CONDOMINIUM and acknowledged that he executed the Declaration for the purposes therein contained, for and on behalf of said Declarant, on this ____ day of _____ 2021.

/seal/

Notary Public / Justice of the Peace
Name:
commission expires:

APPENDIX A

SUBMITTED LAND

Lot Description

Tax Map 106, Lot 54
17-19 Townhouse Road Condominium
Allenstown, New Hampshire

A certain tract or parcel of land, together with improvements located thereon, situated in Allenstown, County of Merrimack, and State of New Hampshire, and being Lot #48 as sown on plan entitled "Plan of Land for Henry and Murphy, Inc., at Heritage Meadows, Allenstown, NH" prepared by Walter F. O'Neill, revised July 1972, and recorded in the Merrimack County Registry of Deeds, as Plan #3103; said Lot being more particularly bounded and described as follows:

Beginning at a point on the southerly line of Town House Road at the westerly most corner of the premises and at the northerly most corner of Lot 49 as shown on said plan; thence southeasterly 80.00 feet by and along Lot 49 to a point; thence easterly by Lot 44 (as shown on Plan #2265), 63.30 feet to a point; thence continuing easterly at a slight angle by Lot 43 (as shown on Plan #2265) 40.00 feet to a point; thence northwesterly by Lot 47 (as shown on Plan #2265) 100.00 feet to a point on the westerly by the southerly side of Town House Road; thence southwesterly by Town House Road 100.00 feet to the point of beginning.

APPENDIX B

17-19 TOWNHOUSE ROAD CONDOMINIUM UNIT OWNERS' ASSOCIATION

BYLAWS

ARTICLE I

PLAN OF UNIT OWNERSHIP

- 1. Purpose.** The administration of the Condominium shall be governed by these Bylaws, which are annexed to the Declaration of 17-19 TOWNHOUSE ROAD CONDOMINIUM and are made a part thereof. All present and future holders of any interest in the Condominium shall be members of 17-19 TOWNHOUSE ROAD CONDOMINIUM UNIT OWNERS' ASSOCIATION and shall hold said interest subject to these Bylaws as well as to the Declaration and the Rules promulgated hereunder. Such Owner's Association is a "Condominium management Association" organized and operated to provide for the acquisition, construction, management, maintenance and care of "Association property" as those terms are defined in Section 528 of the Internal Revenue Code of 1954, as amended. No part of the net earnings of the Association shall inure (other than by acquiring, constructing or providing management, maintenance and care of "Association property" and other than by a rebate of excess assessments pursuant to Article V, Section 1(c) hereof) to the benefit of any Unit Owner.
- 2. Definitions.** Capitalized terms not otherwise defined herein or in the Declaration shall have the meanings specified in Section 3 of the Condominium Act.
- 3. Bylaws Applicability.** The provisions of these Bylaws are applicable to the Condominium and the use, occupancy, sale, lease, or other transfer thereof. All present and future Owners, tenants, future tenants, their guests, licensees, servants, agents, employees, and any other Person who shall use the facilities of the Condominium, shall be subject to these Bylaws and to the Rules of the Condominium. The acceptance of a deed of conveyance or the entering into a lease or the act of occupancy of a Unit or any other portion of the Condominium shall constitute an acknowledgment that such Owner, tenant, or occupant has accepted and ratified these Bylaws, the provisions of the Declaration and the Rules and will comply with them.
- 4. Office.** The principal office of 17-19 TOWNHOUSE ROAD CONDOMINIUM UNIT OWNERS' ASSOCIATION and of the Board of Directors shall be located at the Condominium or at such other place as may be designated from time to time by the Board of Directors.

ARTICLE II

UNIT OWNERS' ASSOCIATION

1. Unit Owner's Association. All of the Unit Owners, acting as a group in accordance with the Condominium Act, the Declaration, and these Bylaws, shall constitute 17-19 TOWNHOUSE ROAD CONDOMINIUM UNIT OWNERS ASSOCIATION, which, subject to Article 28 of the Declaration of the 17-19 Townhouse Road Condominium, shall have the responsibility of administering the Condominium, establishing the means and methods of collecting the assessments for Common Expenses, arranging for the management of the Condominium and performing all of the acts that may be required to be performed by the Unit Owners Association by the Condominium Act. Except as to those matters which the Condominium Act, the Declaration, or these Bylaws specifically require to be performed by the vote of the Unit Owners, the administration of the Condominium shall be performed by the Board of Directors (as more particularly set forth in Article III herein below).

2. Voting.

- (a) Each Unit shall be entitled to one vote. Since a Unit Owner may be more than one person, if only one of such persons is present at a meeting of the Association, that person shall be entitled to cast the vote appertaining to that Unit. But if more than one of such persons is present, the vote appertaining to that Unit shall be cast only in accordance with the agreement of a majority of them, and such consent shall be conclusively presumed if any one of them purports to cast the vote appertaining to that Unit without protest being made forthwith by any of the others to the person presiding over the meeting. As applied to a person which is not a natural person, the word "person" shall be deemed for the purposes of this Section to include, without limitation, any one natural person having authority to execute deeds on behalf of such person which is not a natural person and which is, either alone or in conjunction with another person or persons, a Unit Owner. Except where a greater number is required by the Condominium Act, the Declaration, or these Bylaws, a majority of the vote of those Unit Owners present, in good standing and entitled to vote is required to adopt decisions at any meeting of the Unit Owners Association. If the Declarant owns or holds title to one or more Condominium Units, the Declarant shall have the right at any meeting of the Unit Owners Association to cast the votes to which such Unit is entitled.
- (b) At meetings, Roberts Rules of Order shall be followed in voting and conducting the meeting.
- (c) Voting procedure at other than duly authorized meetings will be as follows:
 - i. A list of the nominees for Directors or the question to be voted on is sent out to each Unit Owner (one vote per Unit) in a ballot form.
 - ii. A ten-day response will be allowed.

- iii. Only ballots cast will be counted.
- iv. The answer to the question that receives the most cast votes will prevail, providing the requisite percentage votes, as described in this Bylaws and the Declaration, are cast.
- v. The nominees for Directors which receive the five highest votes will become Directors. The one receiving the highest number of votes shall be Director, as will the one receiving the next highest, etc., until five Directors are elected. However, in all cases, at least one Director shall be elected, even if only one vote is cast and that is for only one nominee.

3. Place of Meeting. Meetings of the Unit Owners Association shall be held at the principal office of the Condominium or at such other suitable place as may be designated by the Board of Directors and stated in the notice of the meeting.

4. Annual Meeting. This section is subject to the limitations of Section 25 *et seq.*, of 17-19 TOWNHOUSE ROAD CONDOMINIUM Declaration, and where a conflict exists, said Section 25 *et seq.*, shall be controlling. The first annual meeting of the Unit Owners Association shall be held on a date to be determined by the Declarant, which date shall be within one (1) year after the formation of the Association by the recordation of the Declaration. Notice of such meeting shall be given in accordance with the provisions of Section 6 of this Article II. At such meeting, the persons designated by the Declarant shall resign as members of the Board of Directors, and all of the Owners, including the Declarant if the Declarant owns any Unit or Units, shall elect a new Board of Directors. Thereafter, the annual meetings of the Association shall be held at the same date of each succeeding year, or on such other date within a thirty (30) day period prior to such date, as may be designated by the Board of Directors and reflected in the said notice. At such annual meetings, the Board of Directors shall be elected by ballot of the Owners in accordance with the requirements of these Bylaws. For a period of two (2) years from the date of recording this Declaration, or until 4 Units have been conveyed to non-declarant unit owners, whichever occurs first, the Declarant shall be entitled to elect a majority of the members of the Board of Directors. The Association may transact such other business as may properly come before them at such meetings.

5. Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners Association if so directed by Resolution of the Board of Directors or upon a petition signed and presented to the Secretary by an Owner. The Notice shall include the time, date, place, purpose and agenda of the meeting. No business shall be transacted at a special meeting except as stated in the notice.

6. Notice of Meeting. It shall be the duty of the Secretary to mail, by United States mail, return receipt requested, a notice of each annual meeting or special meeting of the Owners, at least twenty-one (21) days in advance of each annual meeting, and at least seven (7) days in advance of each special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Owner at the address of their respective Units or at such other address as each Owner may have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of

notice.

7. Voting Requirements. An Owner shall be deemed to be in good standing and entitled to vote at any annual meeting or at any special meeting of the Unit Owners Association if, and only if, he shall have fully paid all assessments made or levied and due against him and his Condominium Unit by the Board of Directors as hereinafter provided, together with all interest, costs, attorney's fees, penalties and other expenses, if any, properly chargeable to him and against his Condominium Unit, at least three (3) days prior to the date fixed for such annual or special meeting. The Notice shall include the time, date, place, purpose and agenda of the meeting.

8. Proxies. The vote appertaining to any Unit may be cast pursuant to a proxy or proxies duly executed by or on behalf of the Unit Owner, or, in cases where the Unit Owner is more than one person, by or on behalf of all such persons. No such proxy shall be revocable except by actual notice to the person presiding over the meeting, by the Unit Owner or by any of such persons, that it be revoked. Any proxy shall be void if it is not dated, if it purports to be revocable without notice as aforesaid, or if the signature of any of those executing the same has not been duly acknowledged. The proxy of any person shall be void if not signed by a person having authority, at the time of the execution thereof, to execute deeds on behalf of that person. Any proxy shall terminate automatically upon the adjournment of the first meeting held on or after the date of that proxy.

9. Quorum. A quorum shall be deemed to be present throughout any meeting of the Unit Owners Association until adjourned if persons entitled to cast more than fifty-one percent (51%) of the votes are present at the beginning of said meeting, in person or by proxy.

10. Order of Business. The order of business at all meetings of the Unit Owners, Association may be as follows: (a) roll call; (b) recitation of proof of notice of meeting; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of Board of Directors; (f) reports of committees; (g) election of Directors, if applicable, (h) unfinished business; and (i) new business, any of which may be waived.

11. Conduct of Meeting. The President, or his designate, shall preside over all meetings of the Unit Owners Association and the Secretary shall keep the minutes of the meeting and record in a record book all resolutions adopted by the meeting as well as a record of all transactions occurring thereat. Roberts Rules of Order shall govern the conduct of all meetings of the Unit Owners Association when not in conflict with the Declaration, these Bylaws, or the Condominium Act.

ARTICLE III

BOARD OF DIRECTORS

1. Powers and Duties. Subject to Article 28 of the Declaration of the 17-19 Townhouse Road Condominium, the affairs and business of the Condominium shall be managed by a Board of Directors (sometimes hereinafter referred to as the "Board") which shall have all of the powers and duties necessary for the administration of the affairs of the Condominium and

may do all such acts and things as are not by the Condominium Act or by these Bylaws directed to be exercised and done by the Unit Owners Association. The Board of Directors shall have the power from time to time to adopt any Rules deemed necessary for the enjoyment of the Condominium provided that such Rules shall not be in conflict with the Condominium Act, the Declaration, or these Bylaws. The Board of Directors may elect one of its members to serve as Chairman of the Board. The Board of Directors may delegate to one of its members the authority to act on behalf of the Board of Directors on all matters which might arise between meetings of the Board of Directors. In addition to the general duties imposed by these Bylaws, the Board of Directors shall have the power, subject to Article 28 of the Declaration of the 17-19 Townhouse Road Condominium to and be responsible for the following:

- (a) Preparation of an annual budget, in which there shall be established the assessment of each Owner for the Common Expenses.
- (b) Making assessments against Owners to defray the Common Expenses of the Condominium, establishing the means and method of collecting such assessments from the Owners, collecting said assessments, depositing the proceeds thereof in a bank depository that it shall approve, and using the proceeds to carry out the administration of the Condominium. Unless otherwise determined by the Board of Directors, the annual assessments against each Owner for his proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for said month.
- (c) Providing for the operation, care, upkeep, replacement, and maintenance of all of the Common Area and services of the Condominium including the maintenance of the roads, utilities, septic systems, water system drainage system and detention/treatment basin pursuant to all laws, regulations and rules of the Federal, State and Town of Allenstown.
- (d) Designating, hiring, controlling and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Common Area, and providing services for the Condominium and, where appropriate, providing for the compensation of such personnel and for the purchase or use of equipment, supplies, and material to be used by such personnel in the performance of their duties, which supplies and equipment, if purchased, shall be deemed the common property of the Owners.
- (e) Making and amending Rules respecting the use of the Condominium and enforcing by legal means the provisions of the Declaration, these Bylaws, and such Rules, and bringing any proceeding which may be instituted on behalf of the Owners.
- (f) Obtaining and carrying insurance against casualties and liabilities, as provided in Article VI of these Bylaws, and paying the premium cost thereof and making, or contracting for the making of, repairs, additions, and improvements to, or alterations of, the Condominium and repairs to, and restoration of, the Condominium, in accordance with the other provisions of these Bylaws, after

damage or destruction by fire or another casualty.

- (g) Keeping books with detailed accounts of the receipts and expenditures affecting the Condominium, and the administration of the Condominium. All books and records shall be kept in accordance with generally accepted accounting practices, and the same shall be audited at least once a year by an outside auditor employed by the Board of Directors who shall not be a resident of the Condominium, or an Owner therein. The cost of such audit shall be a Common Expense. The books, records, financial statements and annual audited report of the Condominium as well as copies of the current Declaration, Bylaws and the Rules and Regulations shall be available for examination by prospective purchasers, and the Owners, their duly authorized agents or attorneys, and any holder, insurer or guarantor of a first Mortgage on a Unit(s) during general business hours on working days at the times and in the manner that shall be set and announced by the Board of Directors for the general knowledge of such persons. A copy of the annual audit report shall be supplied to any holder, insurer or guarantor of a first Mortgage on any Unit in the Condominium who requests the same in writing to the Secretary.
- (h) To do such other things and acts not inconsistent with the Condominium Act, these Bylaws, and with the Declaration.

2. Managing Agent. The Board of Directors shall employ, or contract with, a professional manager or management firm ("Manager") for a fee or compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize, including, but not limited to, the duties listed in Section 1 of this Article III. The Board of Directors may delegate to the Manager all of powers granted to the Board of Directors by these Bylaws; provided that any actions of the Manager with respect to the powers set forth in paragraphs (b) and (f) , of Section 1 of this Article III shall require the consent of the Board of Directors. The term of any employment contract for a Manager may not exceed two years (2), and any such employment contract shall provide, inter alia, that such agreement may be terminated for cause upon no more than sixty (60) days written notice. The Declarant may enter into professional management contracts prior to transfer of control of the Unit Owners Association to the Unit Owners. However, any such contract shall be terminable without cause or penalty upon 90 days' notice.

3. Number of Directors and Initial Selection of Board and Term of Office. This section is subject to the limitations of Section 25 *et seq.*, of 17-19 TOWNHOUSE ROAD Condominium Declaration, and where a conflict exists, said Section 25 *et seq.*, shall be controlling. After Declarant no longer is a Unit Owner of record, the Board of Directors shall be composed of no less than three (3) or no less than the minimum number required by the Condominium Act, and no more than five (5) of the record Unit Owners, elected by the majority vote of all record Unit Owners, who shall remain as Directors for so long as each is a Unit Owner of record or until they resign or are removed from office. While Subject to the limitations of Section 25, *et seq.*, of the Declaration, while the Declarant is a Unit Owner, only the Declarant shall be a Director, unless the Declarant relinquishes that right. Until the election of the Board of Directors takes place after Declarant control has ended pursuant to Section 25, *et seq.*, of the Declaration, the Board of Directors shall consist of such persons as

shall have been designated by the Declarant. The Declarant may relinquish its rights hereunder at any prior time.

4. Term of Office. The Directors shall hold office until they resign, no longer are a Unit Owner of record or until they are voted out by majority of the Unit Owners of record and a replacement Director is vote in by a majority of the Unit Owners of record.

5. Organization Meeting. The first meeting of the members of the Board of Directors shall be at the same time and place as the first annual meeting of the Unit Owners at such place as shall be fixed by the Directors, and no notice shall be necessary to the Directors in order to legally to constitute such meeting, providing a majority of the whole Board shall be present thereat.

6. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time, by a majority of the Directors, and as required by RSA 356-B, *et seq*, but at least one (1) such meeting shall be held during each twelve month period after the annual meeting of the Unit Owners Association. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone, or telegraph, at least ten (10) business days prior to the day named for such meeting, except that no notice shall be required for a regular meeting held immediately after, and at the same place as, the annual meeting of the Association. The Notice shall include the time, date, place and agenda of the meeting. Notice may be waived orally or in writing.

7. Special Meetings. Special meetings of the Board of Directors may be called by any one Director on seven (7) business days' notice to each Director. Such notice shall be given personally or by mail, telephone, or telegraph. The Notice shall include the time, date, place, purpose and agenda of the meeting. Notice may be waived orally or in writing.

8. Waiver of Notice. Before or within ten (10) days after any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.

9. Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

10. Vacancies. Vacancies shall be filled by vote of the majority of the record Unit Owners, at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy; and each person so elected shall be a Director for the remainder of the term of the Director so replaced; provided, however, that the vacancy of any

Director designated by the Declarant pursuant to a right of the Declarant to make such designation shall be filled by the Declarant.

11. Removal of Directors. A Director may be removed with or without cause, and his successor elected, at any duly called regular or special meetings of the Unit Owners Association at which a quorum is present, by an affirmative vote of a majority of the votes represented and voting. Any Director whose removal has been proposed by the Owners shall be given at least ten (10) days' notice of the calling of the meeting and the purpose thereof and an opportunity to be heard at the meeting.

12. Compensation. No Director shall receive any compensation for acting as a Director.

13. Conduct of Meetings. The President, or, in his absence, a president pro term elected by the Board, shall preside over all meetings of the Board of Directors and the Secretary shall keep the minutes of the meetings of the Board of Directors recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings, which minutes shall be filed in the Record Book of the Condominium.

14. Report of Board of Directors. The Board of Directors shall present at each annual meeting, and when called for by vote of the Unit Owners Association at any special meeting of the Association, a full and clear statement of the business and condition of the Condominium.

15. Dispensing with Vote. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

16. Liability of the Board of Directors. The members of the Board of Directors shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold harmless each of the Directors from and against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Owners unless any such contract shall have been made in bad faith, due to willful misconduct or contrary to the provisions of the Declaration or of these Bylaws. It is intended that the members of the Board of Directors shall have no personal liability (except as Owners) with respect to any contract made by them on behalf of the Owners, unless made in bad faith, due to willful misconduct or contrary to such provisions. It is also intended that the liability of any Owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors shall be Limited to such proportion of the total liability thereunder as his Undivided interest bears to the Undivided interests of all of the Owners. Every written agreement made by the Board of Directors or by the Manager on behalf of the Owners shall, if obtainable, provide that the members of the Board of Directors or the Manager, as the case may be, are acting only as agents for the Owners and shall have no personal liability thereunder (except as Owners), and that each Owner's liability thereunder shall be Limited to such proportion of the total liability thereunder as his undivided interest bears to the undivided interests of all Owners. The Owners shall indemnify any person who was or is a

party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether or not based in contract, by reason of the fact that he is or was a Director, or officer, against expenses (including reasonable attorneys' fees), judgments, fines, and amounts paid in settlement incurred by him in connection with such action, suit, or proceeding unless he acted in bad faith, was guilty of willful misconduct, or acted contrary to the provisions of the Declaration or these Bylaws.

ARTICLE IV

OFFICERS

1. Designation. The principal officers of the Condominium shall be a President, a Secretary, and a Treasurer, all of whom shall be elected by the Board and all of whom may be one person. The Board may appoint such other officers as in its judgment may be necessary. All officers must be members of the Board of Directors.

2. Election of officers. The officers of the Condominium shall be elected annually by the Board at the organization meeting of each new Board and shall hold office at the pleasure of the Board. Any vacancy in an office shall be filled by the Board at a regular meeting or special meeting called for such purpose.

3. Removal of Officers. The officers shall hold office until their respective successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the whole Board, and his successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

4. President. The President shall be the chief executive officer. He, or his designate, shall preside at meetings of the Unit Owners, Association and shall be an ex-officio member of all committees; he shall have general and active management of the business of the Condominium and shall see that all orders and resolutions of the Board are carried into effect. He shall have all of the general powers and duties which are usually vested in or incident to the office of president of a stock corporation organized under the laws of the State of New Hampshire.

5. Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of the Unit Owners Association shall record the minutes of all proceedings in the record book of the Condominium and shall perform like duties for committees when required. He shall keep the record book current and in his custody. He shall give, or cause to be given, notice of all meetings of the Unit Owners Association, the Board, and committees and shall perform such other duties as may be prescribed by the Board or President. The Secretary shall compile and keep current at the principal office of the Condominium a complete list of the Owners and their last known post office addresses. This list shall be open to inspection by all Owners and other persons lawfully entitled to inspect the same, at reasonable hours during regular business days.

6. Treasurer. The Treasurer shall have the custody of all funds and securities that are not under the control of the Directors or Manager, if any, and, with the assistance of the Directors or Manager, shall keep full and accurate records of receipts and disbursements, shall prepare all required financial data, and shall deposit all money and other valuable effects in such depositories as may be designated by the Board. He shall disburse funds as ordered by the Board, where possible taking proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board or whenever they may require it, an account of all of his transactions as Treasurer and of the financial condition of the Association.

7. Agreements, Contracts, Checks, etc. All agreements, contracts, leases, checks, and other instruments of the Association for expenditures or obligations shall be executed by the President and Treasurer of the Association or by such other person or persons as may be designated in writing by the Board of Directors.

8. Compensation of Officers. No officer shall receive any compensation for acting as an officer.

ARTICLE V

OPERATION OF THE PROPERTY

1. Determination of Common Expenses and Assessments Against Owners.

Subject to Article 28 of the Declaration of the 17-19 Townhouse Road Condominium:

- (a) **Fiscal Year.** The fiscal year of the Condominium shall consist of the twelve-month period commencing on January 1 of each year and terminating on December 31 of the same year, except that the first fiscal year shall begin at the date of organization and terminate on December 31. The fiscal year herein established shall be subject to change by the Board of Directors.
- (b) **Preparation and Approval of Budget.** Each year the Board of Directors shall adopt a budget for the Condominium containing an estimate of the total amount which it considers necessary to pay the cost of maintenance, management, operation, repair, and replacement of the Common Area and any parts of the Units as to which it is the responsibility of the Board of Directors to maintain, repair, and replace, and the cost of wages, materials, insurance premiums, services, supplies, and other expenses that may be declared to be Common Expenses by the Condominium Act, the Declaration, these Bylaws, or a resolution of the Unit Owners Association, and which will be required during the ensuing fiscal year for the administration, operation, maintenance, and repair of the Condominium and the rendering to the Owners of all related services. Such budget shall also include such reasonable reserves as the Board of Directors considers necessary to provide a general operating reserve, and reserves for contingencies and replacements. The Board of Directors shall make reasonable efforts to send to each Owner a copy of the budget, in a

reasonably itemized form which sets forth the amount of the Common Expenses payable by the Owner, at least fifteen (15) days in advance of the fiscal year to which the budget applies. The said budget shall constitute the basis for determining each Owner's contribution for the Common Expenses of the Condominium.

- (c) **Assessment and Payment of Common Expenses.** The total amount of the estimated funds required for the operation of the Land set forth in the budget for the fiscal year adopted by the Board of Directors shall be assessed against each Owner of a completed Unit in proportion to the number of votes in the Unit Owners Association appertaining to his Unit and shall be a lien against each Owner's Condominium Unit in accordance with the Condominium Act. However, Declarant shall not be charged or obligated to pay any assessment or reserves for Units that are unbuilt for any month for which an assessment shall be made. For any Units that have been completed but not sold, Declarant shall be charged a portion of the monthly assessment equal to that Unit's share of the insurance premium. If Declarant shall allow any Units to be occupied prior to sale, then Declarant shall be charged the regular assessment for that Unit. Declarant shall not be responsible to pay monthly assessments for unsold Units except as hereinbefore provided but shall be responsible for any deficit or shortfall in the common expense fund that may arise during the period of time when the Declarant shall control the Unit Owners Association. Initially, assessments shall commence on the date of the sale of the first Unit, in each phase. The basis of the assessment will be the projected budget. Thereafter on or before the first day of each fiscal year, and the first day of each of the succeeding eleven (11) months in such fiscal year, each Owner shall be obligated to pay to the Association one-twelfth (1/12th) of the assessment for such fiscal year made pursuant to the foregoing provisions. Within sixty (60) days after the end of each fiscal year, the Board of Directors shall supply to all Owners an itemized income and expense statement. The amount accumulated in excess of the amount required for actual expense and budgeted reserves shall, in the discretion of the Board of Directors, either be rebated to the Owners -in accordance with each Owner's votes in the Unit Owners Association by crediting same to the next successive monthly installments due from Owners under the then current fiscal year's budget, until exhausted, or shall be added to reserves. Any net shortage shall, it the Board of Directors

deems it advisable, be added according to each Owner's votes in the Unit Owners Association to the installments due in the succeeding six (6) months after the rendering of the accounting.

- (d) **Reserves.** The Board of Directors shall, as they may deem necessary, build up and maintain an adequate operating reserve and reserve for replacement of the Common Area, which shall be funded by regular monthly payments as provided for in subsection (c). At the end of each fiscal year, all funds accumulated during such year for reserves for replacement of Common Area shall be placed in a separate bank account, segregated from the general

operating funds, and used only for such purposes. If for any reason, including nonpayment of any Owner's assessments, the reserves are inadequate, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Owners according to their respective votes in the Unit Owners Association and which may be payable in a lump sum, or in installments as the Board of Directors may determine. The Board of Directors shall serve Notice of any such further assessment on all Owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due more than ten (10) days after the delivery or mailing of such notice of further assessment. All Owners shall be obligated to pay the adjusted amount or, if the additional assessment is not payable in installments, the amount of such assessments.

- (e) **Initial Assessment.** When the first Board of Directors takes office, it shall determine the budget, as defined in this Section, for the period commencing upon the recording of this Declaration at the Merrimack County Registry of Deeds and ending on the last day of the fiscal year in which their election occurs. Assessments shall be levied against the Owners during said period as provided in paragraph (c) of this Section.
- (f) **Effect of Failure to Prepare or Adopt Budget.** The failure or delay of the Board of Directors to prepare or adopt the annual budget for any fiscal year shall not constitute a waiver or release in any manner of an Owner's obligation to pay his allocable share of the Common Expenses as herein provided, whenever the same shall be determined, and in the absence of any annual budget or adjusted budget, each Owner shall continue to pay the monthly charge at the then existing monthly rate established for the previous fiscal period until ten (10) days after a statement has been mailed or delivered, showing the monthly payment which is due under the new annual or adjusted budget.
- (g) **Capital Reserve.** The Board of Directors, or the Declarant if the Board has not been established, may, but shall not be obligated to, establish a working capital fund equal to two (2) months estimated common charges for each Unit. Any amounts paid into this fund shall not be considered as advance payments of regular assessments. Each Unit's share of the working capital fund shall be collected at the time the initial sale of the Unit is closed and shall be transferred to the Unit Owners Association for deposit in a segregated fund. Within sixty (60) days after the closing of the first Unit, the Declarant shall pay each finished but unsold Unit's share of the working capital fund to the Unit Owners Association or to the segregated fund if the Unit Owners Association has not been established. The Declarant, however, shall be entitled to reimburse itself for this payment from the funds collected at closing when the unsold Units are sold.

2. Payment of Common Expenses. Subject to Article 28 of the Declaration of the 17-19 Townhouse Road Condominium:

All Owners shall be obligated to pay the Common Expenses assessed by the Board of Directors pursuant to the provisions of Section 1 of this Article V. No Owner may exempt himself from liability for his contribution toward Common Expenses by waiver of the use or enjoyment of any of the Common Area or by abandonment of his Unit. No Owner shall be liable for the payment of any part of the Common Expenses assessed against his Condominium Unit subsequent to transfer by him of such Condominium Unit. The purchaser of a Condominium Unit or other acquiring Owner by virtue of any transfer shall be jointly and severally liable with the transferring Owner for all unpaid assessments against the latter for his proportionate share of the Common Expenses up to the time of the conveyance without prejudice to the acquiring Owner's right to recover from the transferring Owner the amounts paid by the acquirer therefor; provided, however, that any such acquiring Owner of transferring Owner shall be entitled to a recordable statement from the Chairman of the Board of Directors or the Manager setting forth the amount of the unpaid assessments against the transferring Owner and such, acquiring Owner shall not be able for, nor shall the Condominium Unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount therein set forth. Failure to furnish or make available such a statement within ten (10) days from receipt of such request in writing shall extinguish the lien for unpaid assessments. Payment of a fee of Ten Dollars (\$10.00) or the maximum allowable under the Condominium Act, whichever is greater, shall be required as a prerequisite for issuance of such a statement. However, subject to the provisions of RSA 356-B:46, which provisions shall control if followed, a Mortgagee of a first Mortgage of record or other purchaser of a Condominium Unit obtains title to the Condominium Unit as a result of foreclosure of a first Mortgage, or through the enforcement of any other remedies provided for in the Mortgage, or by virtue of a deed in lieu of foreclosure, such Mortgagee or purchaser, his successors and assigns, shall not be liable for the payment of any Common Expenses assessed prior to the acquisition of title to said Unit by said Mortgagee or purchaser pursuant to the aforesaid remedies, and the Condominium Unit shall not be subject to a lien for same. The unpaid share of Common Expenses assessed prior to the acquisition of title to such Unit by such Mortgagee or purchaser pursuant to the aforesaid remedies shall be collectible from all Owners, including the purchaser or first Mortgagee, in proportion to their respective votes in the Unit Owners Association.

2. **Collection of Assessments.** Subject to Article 28 of the Declaration of the 17-19 Townhouse Road Condominium:

The Board of Directors shall take prompt action to collect any assessments for Common Expenses due from any Owner which remain unpaid for more than sixty (60) days from the due date for payment thereof.

3. **Maintenance and Repair.** Subject to Article 28 of the Declaration of the 17-19 Townhouse Road Condominium:

- (a) **By the Board of Directors.** Except as otherwise provided in Section 4 (b) below, the Board of Directors shall be responsible for the maintenance, repair, and replacement (unless necessitated by the negligence, misuse, or neglect of an Owner or of a person gaining access with said Owner's actual or implied consent, in which case expense shall be charged to such Owner), of all of the

Common Area, which includes the roads which shall remain Common Area, whether located inside or outside of the Units, and whether now existing or hereafter constructed, the cost of which shall be assessed to all Owners as a Common Expense.

- (b) **By the Owner.** Except for the portions of his Unit required to be maintained, repaired, and replaced by the Board of Directors, each Owner shall be responsible for the maintenance, repair, and replacement, at his own expense, of his Unit, and any part thereof, including but not Limited to any interior walls, finished interior surface of ceiling and floors, kitchen and bathroom fixtures and appliances and those parts of the heating, plumbing, and electrical systems which are wholly contained within his Unit and serve no other Unit. Each Owner shall be responsible for performing the normal maintenance of his Limited Common Area, including keeping it in a clean, sanitary and safe condition, and shall make, at his own expense, all repairs thereto, beyond normal maintenance, caused or necessitated by his negligence, misuse, or neglect. Each Owner shall keep the interior of his Unit and its equipment and appurtenances in good order, condition, and shall do all redecorating, painting, and varnishing which may at any time be necessary to maintain the good appearance and condition of his Unit. In addition, each Owner shall be responsible for all damage to any and all other Units or to the Common Area resulting from his failure to make any of the repairs required to be made by him by this Section. Each Owner shall perform his responsibility in such manner as shall not unreasonably disturb or interfere with the other Owners. Each Owner shall promptly report to the Board of Directors, or the Manager, any defects or need for repairs for which the Board of Directors is responsible.
- (c) **Replacement Manner and Repair.** All repairs and replacements shall be substantially similar to the original construction and installation and shall be of first class quality. The method of approving payment vouchers for all repairs and the Board of Directors shall determine replacements.

5. Additions, Alterations, or Improvements by the Board of Directors. Whenever, in the judgment of the Board of Directors, the Common Area shall require additions, alterations, or improvements and the making of such additions, alterations, or improvements shall have been approved by a majority of the votes of the Owners, the Board of Directors shall proceed with such additions, alterations, or improvements and shall assess all Owners for the cost thereof as a Common Expense. Notwithstanding the foregoing, if, in the opinion of not less than two-thirds (2/3rds) of the members of the Board of Directors such additions, alterations, or improvements are exclusively or substantially exclusively for the benefit of a Limited number of Owner or Owners requesting the same, such requesting Owners shall be assessed therefor in such proportion as they jointly approve or as determined by the Board of Directors.

6. Additions, Alterations, or Improvements by Owners. No Owner shall make any structural addition, alteration, or improvement in or to his Unit, or to his Limited Common Area, which improvement value is greater than Two Thousand Dollars (\$2,000.00) without the prior written consent thereto of the Board of Directors. No Owner shall paint, decorate, or otherwise change the external appearance of his Unit, including the doors and windows, or of

any exterior surface of the Building, without the prior written consent thereto of the Board of Directors. The Board of Directors shall be obligated to answer any written request by an Owner for approval of such proposed structural addition, alteration, or improvement or such external change within thirty (30) days after such request, and its failure to do so within the stipulated time shall constitute a consent by the Board of Directors to the proposed addition, alteration, or improvement or change. The provisions of this Section 6 shall not apply to Condominium Units owned by the Declarant until such Units have been initially conveyed by the Declarant.

7. Restrictions on Use of Units. To assist the Condominium in providing for congenial occupancy and the protection of the value of the Units, it is necessary that the Board of Directors have the right and authority to exercise reasonable controls over the use of the Units. Violation of the following enumerated Prohibitions shall not be permitted, and the Board of Directors is hereby authorized to take all steps necessary to prevent or discontinue any violations thereof, all at the expense of the violator:

- (a) No advertisements, signs, or posters of any kind shall be posted in or on the Units or the Condominium except as authorized in writing by the Board. This restriction shall not apply to advertisements, signs, or posters utilized by the Declarant, or its agents, in selling or leasing the Units.
- (b) No clothing, laundry, rugs or other objects shall be hung, shaken or thrown from any window or exterior portion of a Unit or otherwise left or placed in such a way as to be exposed to public view. All refuse and trash shall remain within the Unit until the designated day of trash collection and then it shall be placed in locations specifically designated by the Board. Said trash collection to be done by private contractor as a Common Expense of the Association.
- (c) No animal, other than common household pets with the consent of the Board, shall be kept or maintained. Because pets often are happier living in pairs, the Board may not summarily restrict pets to only one per household. Consent shall not be unreasonably withheld, and consent shall be in conformance with State and Federal law regarding allowance of pets in residential units. Notwithstanding any other provision herein, disabled individuals may keep assistance animals in their units provided the Board determines that under applicable State or Federal Law such assistance animal is appropriate under the circumstance after its review of documents provided by the Unit Owner. Furthermore, nothing herein shall hinder full access to the Units and the common areas by individuals with documented disabilities and their service or accommodation animals.

Unit Owner with pets shall also be subject to the following:

1. Pets shall not be kept, bred, or used for any commercial purpose. All cats, dogs, rabbits, and ferrets must be spayed or neutered by six months of age unless the procedure is deemed medically unsafe by a veterinarian.
2. Pets must be confined to the pet owner's unit and must not be allowed to

roam free or be tethered. Pets must not be left unattended on patios or balconies. Pets in transit are to be carried, restrained by a leash, or placed in an animal carrier. Resident dog caregivers in transit may take their pet out of the building only by way of locations designated by the Board to pet exercise areas specifically designated for their use.

3. Persons who walk pets are responsible for immediately cleaning up after their animals and discarding securely bagged pet droppings in their own refuse container. Cat litter may not be disposed of in toilets.

4. Any damage caused by cleaning chemicals, or other such materials used in an attempt to remedy said damage is also the full responsibility of the pet owner.

5. No pet shall be allowed to become a nuisance or create any unreasonable disturbance. Examples of nuisance behavior for the purposes of this paragraph are: (a.) Pets whose unruly behavior causes personal injury or property damage. (b.) Pets who make noise continuously and/or incessantly for a period of 10 minutes or intermittently for two (2) hour(s) or more to the disturbance of any person at any time of day or night (check local animal nuisance laws). (c.) Pets in common areas that are not under the complete physical control of a responsible human companion and on a hand-held leash of no more than six feet in length or in a pet carrier. (d.) Pets who relieve themselves on walls or floors of common areas. (e.) Pets who exhibit aggressive or other dangerous or potentially dangerous behavior. (f.) Pets who are conspicuously unclean or parasite infested.

6. The Owner of a Unit where a pet is kept or maintained shall be responsible and may be assessed by the Board of Directors for all damages to the Property resulting from the maintenance of said pet, and any costs incurred by the Association in enforcing the Condominium Rules prescribed or to be prescribed by the Board of Directors for the control and regulation of pets in the Condominium and each such Owner shall be deemed to indemnify and hold the Board harmless against such loss or liability resulting from said pet.

7. Pet owners shall be subject to any other provision in the Condominium Rules not inconsistent with the first paragraph of this subsection (c) The Board of Directors may make further provisions in the Rules for the control and regulation of household pets in the Condominium.

- (d) No nuisance shall be allowed, nor shall any use or practice be allowed which is a source of annoyance or which interferes with the peaceful possession or proper use of the Condominium by others.
- (e) No Owner, tenant, or guest shall allow the installation of wiring for electrical or telephone use, television antennas which protrudes through the walls or the roof of the building or is otherwise visible on the exterior of the building except as presently installed, or as authorized by the Board.

- (f) No Unit or Common Area of the Condominium may be used for any unlawful, immoral, or improper purpose.
- (g) Nothing shall be done in any Unit or in, on, or to the Common Area which may impair the structural integrity of the Condominium, or which would structurally change a building or improvements thereon except as provided in the Declaration or these Bylaws. Nothing shall be altered or constructed in or removed from the Common Area, except upon the written consent of the Board of Directors and the approval of the Town of Allenstown, if applicable.
- (h) No Owner, tenant, or guest shall engage any employee of the Condominium on any private business, nor shall he direct, supervise, or in any manner attempt to assert control over any such employee.
- (i) There will be no outside storage of any kind which includes boats and recreational vehicles on either Limited Common or Common Areas.
- (j) There will be no maintenance of vehicles on either Limited Common or Common Areas.
- (k) No activity shall be done or maintained in any Unit or in any Common Area which will increase the rate of insurance on any Unit or the Common Area or result in the cancellation of insurance thereon unless such activity is first approved in writing by the Board of Directors. No damage shall be committed in the Common Area.
- (l) In the use of Units and the Common Area of the Condominium, Owners shall obey and abide by all valid laws, ordinances, and zoning and other governmental regulations affecting the same and all applicable Rules adopted by the Board. The Common Area shall be used only for the furnishing of the services and facilities for which they are reasonably suited, and which are incident to the use and occupancy of the Units.

8. Right of Access. An Owner shall grant a right of access to his Unit and any Limited Common Area pertaining thereto to the Board of Directors or the Manager, or to any other person authorized by the Board for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or Common Area, or for the purpose of performing installation, alterations, or repairs to the mechanical or electrical services or other Common Area in his Unit or elsewhere in the building, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Owners. In case of any emergency, such right of entry shall be immediate whether the Owner is present at the time or not.

9. Rules. Rules concerning the operation and use of the Common Area may be promulgated and amended by the Board of Directors, provided that such Rules are not contrary to or inconsistent with the Condominium Act, the Declaration, or these Bylaws. Copies of the Rules and amendments thereto shall be furnished by the Board of Directors to

each Owner prior to the time when the same shall become effective.

10. **Maintenance of Storm Water Structures.** The Board of Directors shall make necessary arrangements to have the storm water structures which consists of the detention basins, treatment swales, and catch basins inspected twice a year in the Spring and the Fall and to perform any required maintenance to maintain the storm water structures. All catch basins shall have sediment removed as needed. The Board of Directors shall make necessary arrangements to inspect and maintain the bio-retention basins as outlined in Appendix D and shall further submit inspection reports responsive to the items listed in Appendix D to the Town of Allentown Public Works director for two (2) years following the completion of construction and receipt of final approval.

ARTICLE VI

INSURANCE

1. **Insurance Required.** The Board of Directors shall obtain (i) a master casualty policy affording fire and extended coverage in an amount equal to the full replacement value of the structures within the Condominium; (ii) a master liability policy covering the Association, the Board, the Manager, and agents or employees of the foregoing with respect to the Condominium, and all Owners and other persons entitled to occupy any portion of the Condominium; and (iii) such other policies as specified hereinbelow, which insurance shall be governed by the following provisions to the extent obtainable or possible:

- (a) Fire insurance with standard extended coverage endorsement, vandalism, and malicious mischief endorsements insuring all the buildings in the Condominium, including without limitation all such portions of the interior of such buildings as are for insurance purposes normally deemed to constitute part of the building and customarily covered by such insurance, such as heating and air conditioning and other service machinery, interior walls, all finished wall surfaces, ceiling and floor surfaces including any wall-to wall floor coverings, bathroom and kitchen cabinets and fixtures including appliances which are affixed to the buildings, and heating and lighting fixtures, except for improvements made by individual Owners which exceed a total value of Two Thousand Dollars (\$2,000) and are not reported to the insurer, such insurance to be in an amount at least equal to the replacement value of the buildings and to be -payable to the Board as Manager for the Owners and their mortgagees as their respective interests may appear.
- (b) Public liability insurance in such amounts as the Board may from time to time determine, but in no event shall the limits of liability be less than One Million Dollars (\$1,000,000) for bodily injury and property damage per occurrence, insuring the Association and all individuals referred to in Section 1 (ii) above, against any liability to anyone, and with cross-liability coverage with respect to liability claims of any one insured thereunder against any other insured thereunder. This insurance, however, shall not insure against individual liability for negligence occurring within a Unit or within the Limited Common

Area to which a Unit has exclusive use.

- (c) Workmen's compensation insurance as required by law.
- (d) Fidelity Bond Coverage.
- (e) Such other insurance as the Board may determine.

2. General Insurance Provisions.

- (a) The Board shall deal with the insurer or insurance agent in connection with the adjusting of all claims covered by insurance policies provided for under Section 1 above and shall review with the insurer or insurance agent, at least annually, the coverage under said policies, said review to include an appraisal of improvements within the Condominium, and shall make any necessary changes in the policy provided for under Section 1 (a) above (prior to the expiration date set forth in any agreed amount endorsement contained in said policy) in order to meet the coverage requirements of such Section.
- (b) The Board shall be required to make every effort to see that all policies of physical damage insurance provided for under Section I above: (i) shall contain waivers of subrogation by the insurer as to claims against the Association, its employees and agents, members of the Board, the Manager, Owners, and members of the family of any Owner who resides with said Owner,
- (c) except in cases of arson and fraud; (ii) shall contain a waiver of defense of invalidity or prejudice on account of the conduct of any of the Owners over which the Association has "no control"; (iii) shall contain a waiver of defense of invalidity or prejudice by failure of the insured, or Owners collectively, to comply with any warranty or condition with regard to any portion of the Condominium over which the Insured, or Owners collectively, have no control; (iv) shall provide that such policies may not be canceled or substantially modified without at least thirty (30) days' written notice to all of the insured thereunder and all mortgagees of Units in the Condominium; (v) shall provide that in no event shall the insurance under said policies be brought into contribution with insurance purchased individually by Owners or their mortgagees; (vi) shall exclude policies obtained by individual Owners for consideration under any other insurance clause; and (vii) shall provide that until the expiration of thirty (30) days after the insurer gives notice in writing to the mortgagee of any Unit, the mortgagee's insurance coverage will not be affected or jeopardized by any act or conduct of the Owner of such Unit, the other Owners, the Board of Directors, or any of their agents, employees, or household members, nor cancelled for non-payment of premiums.
- (d) The Board may name as an insured, on behalf of the Owners Association, the Owners Associations' authorized representative, including any Manager with whom such Owners Association may enter into any Insurance Trust Agreement or any successor to such Manager, who shall have exclusive

authority to negotiate losses under any policy providing property or liability insurance.

- (e) Each Unit Owner hereby appoints the Board, or the Owners Association, or any Insurance Manager designated by the Board or the Owners Association, as attorney-in-fact for the purpose of purchasing and maintaining any insurance policy required by the Declaration or to be purchased pursuant to vote of the Owners Association, including; the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; the performance of all acts necessary to accomplish such purpose. The Board, Owners Association, or Manager must receive, hold or otherwise properly dispose of any proceeds of insurance in trust for Unit Owners and their first mortgages as their interest may appear.

3. Individual Policies. Any Owner and any mortgagee may obtain at his own expense additional insurance (including a "Condominium Unit Owner's endorsement" for improvements and betterments to a Unit made or acquired at the expense of the Owner). Such insurance should contain the same waiver of subrogation provision as that set forth in Section 2 (b) of this Article VI. It is recommended that each Owner obtain, in addition to the insurance hereinabove provided to be obtained by the Board of Directors, a policy to insure against loss or damage to personal property used or incidental to the occupancy of the Unit, additional living expenses, vandalism or malicious mischief, theft, personal liability, and the like.

- (a) Each Owner may obtain additional insurance for his own benefit and at his own expense. No such policy shall be written so as to decrease the coverage under any of the policies obtained by the Board pursuant to Section 1 (a) above, and each Owner hereby assigns to the Board the proceeds of any such policy to the extent that any such policy does in fact result in a decrease in such coverage, said proceeds to be applied pursuant to the terms hereof as if produced by such coverage. Copies of all such policies (except policies covering only personal property, owned or supplied by individual Owners) shall be filed with the Secretary of the Association.
- (b) Each Owner should obtain insurance for his own benefit and at his own expense insuring all personal property presently or hereafter located in his Unit or Limited Common Area, any floor coverings, appliances, and other personal property not covered in the master policy, and all improvements to his Unit which exceed a total value of One Thousand Dollars (\$1,000.00) and which are not reported to the Board.
- (c) Each Owner, prior to commencement of construction of such improvements, shall notify the Board of all improvements to his Unit (except personal property other than fixtures) which exceed a total value of Two Thousand Dollars (\$2,000.00) and upon receipt of such notice, the Board shall notify the insurer under any policy obtained pursuant to Section 1 (a) hereof, of any such improvements.

- (d) Each Owner should obtain liability insurance with respect to his Ownership and/or use of his Unit.

4. Notice to Unit Owners. Excepting such policies as are obtained on behalf of the Association prior to the conveyance of the first Unit in the Condominium, when any policy of insurance has been obtained on behalf of the Association, written notice of the obtainment thereof and of any subsequent changes therein or in such initial policies, or termination thereof shall be promptly furnished to each Unit Owner by the Secretary of the Association. Such notice shall be sent to all Unit Owners of record at the address of their respective Units and to such other addresses as any Unit Owner may have designated to the Secretary; or such notice may be hand-delivered by the Secretary or Manager.

ARTICLE VII

REPAIR AND RECONSTRUCTION AFTER FIRE OR OTHER CASUALTY

1. When Repair and Reconstruction are Required. Subject to the provisions of Section 3 (i) of the Declaration, in the event of damage to or destruction of all or part of the building in the Condominium as a result of fire or other casualty, the Board of Directors shall arrange for and supervise the prompt repair and restoration of the damaged or destroyed portion of the buildings. Notwithstanding the foregoing, each Owner shall have the right to supervise the redecorating work in his own Unit.

2. Procedure for Reconstruction and Repair.

- (a) Immediately after a fire or other casualty causing damage to the building, the Board of Directors shall obtain reliable and detailed estimates of the cost of repairing and restoring the damage to a condition as good as that existing before such casualty. Such costs may also include professional fees and premiums for such bonds as the Board of Directors determines to be necessary.
- (b) If the proceeds of insurance are not sufficient to defray the said estimated costs of reconstruction and repairs, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessment in sufficient amounts to provide payment of such costs shall be made against the Owners in proportion to their respective votes in the Unit Owners Association.
- (c) Any such reconstruction or repair shall be substantially in accordance with the original plans and specifications under which the damaged building was originally constructed to the extent possible.
- (d) Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the Owner upon whose property such encroachment exists, provided that such reconstruction is substantially in accordance with original plans and specifications under which the damaged building was

originally constructed. Such encroachments shall be allowed to continue in existence for so long as the building (as reconstructed) shall stand.

3. Disbursements of Construction Funds.

- (a) The net proceeds of insurance collected on account of a casualty and the funds collected by the Board of Directors from assessments against Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair by the Board of Directors.
- (b) The construction fund shall be paid by the Board of Directors in appropriate progress payments, to such contractors, suppliers, and personnel engaged in performing the work or supplying materials or services for the repair and reconstruction of the buildings as are designated by the Board of Directors.
- (c) It shall be presumed that the first moneys disbursed in payment of the cost of reconstruction and repair shall be from insurance proceeds; and if there is a balance in the construction fund after the payment of all of the cost of the reconstruction and repair for which the fund is established, such balance shall be distributed to the Owners.
- (d) When the damage is to both Common Area and Units, the insurance proceeds shall, to the extent practical, be applied first to the cost of repairing the Common Area and the balance to the cost of repairing the Units.

ARTICLE VIII

EMINENT DOMAIN

In the event that any of the Units or the Common Areas of the Condominium are affected by eminent domain proceedings, the following shall apply:

- (a) If a Unit is acquired by eminent domain, or if a part of a Unit is acquired by eminent domain leaving the Unit Owner with a remnant which may not practically or lawfully be used for any purpose permitted by the Declaration and Bylaws, the award shall compensate the Unit Owner for his Unit and its Undivided Interest in the Common Area whether or not any of the Common Area has been acquired. Upon acquisition, unless the decree otherwise provides, that Unit's entire Undivided Interest in the Common Area shall automatically be reallocated to the remaining Units of the Condominium in proportion to the respective Undivided Interest of the remaining Units in the Common Area prior to the taking, and the Directors shall promptly prepare, execute and record an amendment to the Declaration reflecting the reallocations. Any remnant of a Unit remaining after part of a 'Unit is taken under this subsection shall thereafter be a part of the Common Area.

- (b) Except as provided in subsection (a), if part of a Unit is acquired by eminent domain, the award shall compensate the Unit Owner for the reduction in value of the Unit and its Undivided Interest in the Common Area. Upon acquisition, (1) that Unit's Undivided Interest in the Common Area shall be reduced on the basis of the reduction of the fair value of the Unit as at the date of such taking bears to the fair value of the remaining Units in the Condominium is at such date; and (2) the reduction in interest in the Common Area of such Unit shall be divested from the Unit so acquired and shall automatically be reallocated to the remaining Units in proportion to the respective Undivided Interest of the remaining Units in the Common Area prior to the date of such taking.
- (c) If all or any portion of the Common Area is acquired by eminent domain, the Directors shall be the party in interest to receive any such award and to pursue any additional awards due to such taking. Any such award or any action taken by the Directors pursuant hereto shall be brought or paid to the Directors naming the "Unit Owners Association as Condemnation Managers for the benefit of the Condominium, of the several Unit Owners and their respective Mortgagees." The Directors shall divide any portion of the award not used for restoration or repair of the remaining Common Area among the Unit Owners in proportion to their respective Undivided Interest before the taking but any portion of the award attributable to the acquisition of a portion of the Common Area which had been exclusively reserved to any Unit pursuant to the terms of the Declaration shall be paid to the Owner of such Unit or his Mortgagee. Each Unit Owner hereby appoints the Directors hereof as his attorney-in-fact for the foregoing purposes.

ARTICLE IX

SALES, LEASES, AND ALIENATION OF UNITS

1. No Severance of Ownership. No Owner shall execute any deed, lease, mortgage, or instrument conveying or mortgaging the title to his Unit without including therein the undivided interest of such Unit in the Common Area, it being the intention hereof to prevent any severance of such combined Ownership. Any such deed, lease, mortgage, or other instrument purporting to affect one or more of such interests, without expressly including all such interests, shall be deemed and taken to include the interest or interests so omitted even though the latter shall not be expressly mentioned or described therein. Except to the extent otherwise expressly provided by the Declaration, these Bylaws or the Condominium Act, the undivided interest in the Common Area allocated to any Unit shall not be altered and any purported transfer, encumbrance, or other disposition of that interest without the Unit to which it appertains shall be void.

The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area by the Condominium, and the granting of easements and dedication of certain Common Area as described in the Declaration, or these Bylaws shall not be deemed a transfer within the meaning of this section. All leases or rental agreements for any Unit shall be in writing, shall be specified subject to the constituent documents, and shall

be for a period not less than thirty (30) days.

2. Payment of Assessments. No Owner shall be permitted to convey, mortgage, sell, lease, give, or devise his Unit unless and until he (or his personal representative) shall have paid in full to the Board of Directors all unpaid common Expenses heretofore assessed by the Board of Directors with respect to his Unit, except as provided in Section 2 of Article V, and shall have satisfied all unpaid liens with respect to his Unit, except mortgages. The Chairman of the Board of Directors or the Treasurer shall promptly furnish to any Owner (or his devisee or personal representative) requesting the same in writing pursuant to this Section, a recordable statement certifying whether or not such Owner is then obligated for any outstanding assessment previously levied against that Owner's Unit and the amount, if any, then outstanding. In the event that the Unit is subject to outstanding expenses previously levied against such Unit, the statement shall certify any waiver of, or failure or refusal to exercise, right of the Unit Owners Association to prevent the disposition of such Unit, in all cases where the Association allows such disposition. Failure or refusal to furnish such a statement within ten (10) days of receipt of such written request by the Chairman of the Board of Directors or the Treasurer shall make the above-mentioned prohibition inapplicable to any such disposition of the Unit. Any such statement shall be binding on the Association, the Board of Directors, and every Owner. Payment of a fee not exceeding the maximum amount allowable under the Condominium Act may be required as a prerequisite to the issuance of such a statement.

ARTICLE X

AMENDMENT TO BYLAWS

1. Amendment to Declaration and Bylaws. Except as otherwise provided in the Condominium Act, the following shall apply with regard to the amendment of the Condominium Documents. The consent of Owners of Units to which at least eighty percent (80%) of the votes in the Unit Owners Association are allocated and the approval of eligible holders of mortgages (as the term 'eligible mortgage holder' is now or may at any time

hereafter be defined in the FNMA Conventional Home Mortgage Selling Contract Supplement) on Units which have at least seventy-five percent (75%) of the votes of Units subject to eligible holder mortgages, shall be required to terminate the legal status Of the Condominium, including termination after substantial destruction or condemnation.

2. Required Consent. The consent of Owners of Units to which at least sixty-seven percent (67%) of the votes in the Unit Owners Association are allocated and the approval of eligible holders holding mortgages on Units which have at least fifty-one (51) percent of the votes of Units subject to eligible holder mortgages, shall be required to add or amend any material provisions of the Condominium documents of the Condominium, which establish, provide for, govern or regulate any of the following:

- (a) Voting;

- (b) Assessments, assessment liens or subordination of such liens;
- (c) Reserves for maintenance, repair and replacement of the Common Areas (or Units if applicable);
- (d) Insurance or Fidelity Bonds;
- (e) Rights to use Common Areas or Limited Common Areas;
- (f) Responsibility for maintenance and repair of the several portions of the Condominium;
- (g) Expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the project;
- (h) Boundaries of any Unit;
- (i) The interests in the Common Areas or Limited Common Areas;
- (j) Convertibility of Units into Common Areas or of Common Areas into Units;
- (k) Leasing of Units;
- (l) Imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his or her Unit;
- (m) Any provisions which are for the express benefit of mortgage holders, eligible mortgage holders or eligible insurers or guarantors of first mortgages on Units;
- (n) A decision by the Owners Association to establish self: management;
- (o) Restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified he documents;

3. Any eligible mortgage holder that does not deliver or post to the Unit Owners Association a negative response within thirty (30) days of a written request by the Association for approval of any addition or amendment pursuant to any provision of these Bylaws shall be deemed to have consented to the addition or change set forth in such request. An affidavit by an officer of the Association making reference to this section, when recorded at the Merrimack County Registry of Deeds, shall be conclusive as to the facts therein set forth as to all parties and may be relied upon pursuant to the applicable provisions hereof.

4. Notwithstanding the foregoing, so long as the Declarant is the Owner of one or more Units, no amendment to the Declaration, Bylaws or Rules may be adopted which could interfere with the construction, display, sale, lease or other disposition of such Unit or Units.

5. A modification or amendment of the Declaration or Bylaws shall become effective

only when it has been duly evidenced in accordance with the provisions of section 34 IV of the Condominium Act.

ARTICLE XI

MORTGAGES

1. Notice to Board. An Owner who mortgages his Condominium Unit shall notify the Board or Secretary of the name and address of his Mortgagee and shall file a conformed copy of the Mortgage with the Secretary of the Association within two days of the recording of the Mortgage. The Secretary shall maintain suitable records pertaining to such Mortgage. An Owner shall promptly notify the Secretary when such Mortgage has been discharged in the Registry of Deeds.

2. Notice of Unpaid Assessments for Common Expenses. The Board or Treasurer, whenever so requested in writing by a Mortgagee of a Condominium Unit shall promptly report any then unpaid assessments for Common Expenses due from, or any other default by, the Owner of the mortgaged Condominium Unit.

3. Notice of Default. The Board shall give written notice to an Owner of any default by the Owner in the performance of any obligations under the Act, Declaration or Bylaws, and, if such default is not cured within thirty (30) days, shall send a copy of such notice to each holder of a Mortgage covering such Unit whose name and address has theretofore been furnished to the Board or Secretary. No suit or other proceeding may be brought to foreclose the lien for any assessment levied pursuant to the Declaration or these Bylaws except after ten (10) days written notice to the holder of the first Mortgage on the Unit which is the subject matter of such suit or proceeding.

4. Notice of Damage. The Board of Directors shall notify; (i) the Mortgagee of a Unit whenever damage to the Unit covered by the Mortgage exceeds \$1,000.00 and the Board is made aware of such damage; and (ii) all Mortgagees whenever damage or loss to, or taking of, the Common Area exceeds \$10,000.00.

5. Examination of Books. Each Owner and each Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times, on business days, but, with respect to Owners, not more often than once a month.

6. Additional Notice to Mortgagees. The Board of Directors shall provide each Mortgagee with timely notice of the following:

- (a) Any condemnation or casualty loss that affects either a material portion or the Unit securing its Mortgage;
- (b) Any 60-day delinquency in the payment of assessments or charges owed by the

Owner of any Unit on which it holds a Mortgage;

- (c) A lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Owners Association; and
- (d) Any proposed action that requires the consent of a specified percentage of eligible mortgage holders.

ARTICLE XII

NOTICE

1. Manner of Notice. All notices, demands, bills, statements, or other communications provided for or required under the Declaration or these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by U.S. Mail, return receipt requested, first-class postage prepaid, (i) if to an Owner, at the address of his Unit and at such other address as the Owner may have designated by notice in writing to the Secretary; (ii) if to the Unit Owners Association, the Board of Directors or the Manager at the principal office of the Manager or at such other address as shall be designated by notice in writing to the Owners pursuant to this Section; or (iii) if to a Mortgagee, at the address provided to the Board by the Unit Owner pursuant to Article X.

2. Waiver of Notice. Whenever any notice is required to be given under the provisions of the statutes, the Declaration or of these Bylaws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent thereto, unless such waiver is ineffective under the provisions of the Condominium Act.

ARTICLE XIII

COMPLIANCE AND DEFAULT

1. Relief. Each Owner shall be governed by, and shall comply with, all of the terms of the Declaration, these Bylaws, and the Rules and any amendments of the same. A default by an Owner shall entitle the Unit Owners Association acting through the Board of Directors or the Manager or, if appropriate, any aggrieved Owner to the following relief:

- (a) Legal Proceedings. Failure to comply with any of the terms of the Declaration, these Bylaws, and the Rules shall be grounds for relief which may include, without limiting the same, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any other relief provided for in these Bylaws, or any combination thereof, and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Unit Owners Association, the Board of Directors, the Manager, or, if appropriate, by any aggrieved Owner.

- (b) **Additional Liability.** Each Owner shall be liable for the expenses of all maintenance, repair, or replacement rendered necessary by his acts, neglect, or carelessness or the act, neglect, or carelessness of any member of his family or his tenants, guests, employees, agents, or invitees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Board of Directors. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy, or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by an insurance company of its rights of subrogation.
- (c) **Costs and Attorneys' Fees.** In any proceeding arising out of any alleged default by an Owner, the prevailing party shall be entitled to recover the costs of the proceeding, and such reasonable attorneys' fees as may be determined by the court.
- (d) **No Waiver of Rights.** The failure of the Unit Owners Association, the Board of Directors or of an Owner to enforce any right, provision, covenant, or condition which may be granted by the Declaration, these Bylaws or the Rules shall not constitute a waiver of the right of the Association, the Board of Directors, or any other to enforce such right, provision, covenant, or condition in the future. All rights, remedies, and privileges granted to the Association, the Board of Directors, or any Owner pursuant to any term, provision, covenant, or condition of the Declaration or the Rules shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such privilege as may be granted to such party by the Declaration, these Bylaws, or the Rules, or at law or in equity.
- (e) **Interest.** In the event of a default by an Owner against him which continues for a period in excess of thirty (30) days, such Owner shall be obligated to pay interest in the amounts due at the highest rate permitted by law, or at eighteen percent (18%), whichever is greater, per annum from the due date thereof. In addition, the Board of Directors shall have the authority to impose a late payment charge on such defaulting Owners in an amount not to exceed Twenty-Five Dollars (\$25.00) per month, or ten cents (\$.10) per dollar on any amount so overdue, whichever is greater.
- (f) **Abatement and Enjoinment of Violations by Owners.** The violation of any Rule adopted by the Board of Directors or the breach of any By-law contained herein or the breach of any provision of the Declaration shall give the Board of Directors or the Manager the right, in addition to any other rights set forth in these Bylaws: (i) to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Owner, any structure, thing, or condition that may exist therein contrary to the intent and meaning of provisions hereof, and the Board of Directors or Manager shall not thereby be deemed guilty in any manner of

trespass; (ii) to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; or (iii) to suspend or limit the right of the Owner committing the violation to use any part of the Common Area during the continuance of such violation.

2. Non-Compliance by Association. Failure by the Association to comply with any of the terms of the Declaration, these Bylaws, and the Rules shall be grounds for relief which may include, without limiting the same an action to recover sums due for money damages, injunctive relief, any other relief provided for in these Bylaws, or a combination thereof, and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Board of Directors or any aggrieved Unit Owner.

3. Lien for Assessments.

- (a) The total annual assessment of each Owner for the Common Expenses or any special assessment levied pursuant to these Bylaws, is hereby declared to be a lien levied against the Unit of each Owner as provided in (including without limitation the priority provisions set forth in Section 46 thereof) the Condominium Act, which lien shall be effective when perfected in accordance with said Act.
- (b) In any case where an assessment against an Owner as payable in installments, upon a default by such Owner in the payment of any single installment, which continues for ten (10) days after written notice of such default has been sent to the Owner, the maturity of the remaining total of the unpaid installments of such assessments may be accelerated, at the option of the Board of Directors, and the then balance owing may be declared due and payable in full by the service of notice to such effect upon the defaulting Owner by the Board of Directors or Manager. The Association, in order to perfect such lien, shall file before the expiration of six (6) months from the time that the delinquent assessment (or installment, where such assessment is payable in installments) became due and payable a memorandum in the Merrimack County Registry of Deeds in the form and manner prescribed in the said Act.
- (c) The lien assessments shall include interest, costs, and attorneys' fees as provided in Section 1 of this Article X11 and may be foreclosed in the manner provided by the laws of the State of New Hampshire for the foreclosure of power of sale mortgages or by suit brought in the name of the Board of Directors, acting on behalf of the Unit Owners Association. During the pendency of
- (d) such proceedings or suit, the Owner shall be required to pay a reasonable rental for the Unit for any period prior to sale pursuant to any judgment or order of any court having jurisdiction over such sale.
- (e) Suit to recover a money judgment for unpaid assessment shall be maintainable without foreclosing or waiving the lien securing the same, and foreclosure

shall be available without bringing suit to recover a money judgment.

ARTICLE XIV

RESALE BY PURCHASER

1. In the event of any resale of a Condominium Unit or any interest therein by any person other than the Declarant, the prospective Unit Owner shall have the right to obtain from the Owner's Association, prior to the contract date of the disposition, the following:

- (a) Any Unit Owner or purchaser of a Condominium Unit, having executed a contract for the disposition of the same, shall be entitled, upon request, to a recordable statement setting forth the amount of unpaid assessment currently levied against that Unit.
- (b) A statement of any capital expenditures and major maintenance expenditures anticipated by the Unit Owners Association within the current or succeeding two (2) fiscal years.
- (c) A statement of the status and amount of any reserve for the major maintenance or replacement fund and any portion of such fund earmarked for any specified project by the Board of Directors.
- (d) A copy of the income statement and balance sheet of the Unit Owners Association for the last fiscal year for which such statement is available.
- (e) A statement of the status of any pending suits or judgments in which the Unit Owners Association is a party defendant.
- (f) A statement setting forth what insurance coverage is provided for all Unit Owners by the Unit Owners Association and what additional insurance coverage would normally be secured by each individual Unit Owner.
- (g) A statement that any improvements or alterations made to the Unit, or the Limited Common Areas assigned thereto, by the prior Unit Owner are not known to be in violation of the Condominium instruments.
- (h) A statement certifying to any waiver of, or failure or refusal to the exercise of any rights of first refusal or restraints on free alienability of the Condominium Unit being purchased, in all cases where such waiver, failure or refusal does in fact exist;
- (i) A statement of the amount of monthly and annual fees, and any special

assessments made within the last 3 years; and

- (j) A copy of the Condominium declaration, by-laws and any formal rules of Association.

2. The principal officer of the Unit Owners Association shall furnish the statements prescribed by this Article upon the written request of any prospective Unit Owner within ten (10) days of the receipt of such request.

3. In the event of any resale of a Condominium Unit by any person other than the Declarant, the new Unit Owner shall notify the Secretary of his name and address and shall file a conformed copy of the deed with the Secretary within two (2) days of the recording of the deed.

ARTICLE XV

COMPLIANCE, CONFLICT, AND MISCELLANEOUS PROVISIONS

1. **Compliance.** These Bylaws are set forth in compliance with the requirements of the Condominium Act (herein sometimes referred to as the "Act").

2. **Severability.** These Bylaws are set forth to comply with the requirements of the State of New Hampshire. In case any of the Bylaws are in conflict with the provisions of the Act, the provisions of the Act will apply. If any provision of these Bylaws or any section, sentence, clause, phrase, or word, or the application thereof in any circumstance is held invalid, the validity of the remainder of these Bylaws shall not be affected thereby and to this end the provisions hereof are declared to be severable.

3. **Waiver.** No restriction, condition, obligation, or provision of these Bylaws shall be deemed to have been abrogated or waived by any reason of any failure or failures to enforce the same.

4. **Captions.** The captions contained in these Bylaws are for convenience only and are not part of these Bylaws and are not intended in any way to limit or enlarge the terms and provisions of these Bylaws.

5. **Gender, etc.** Whenever in these Bylaws the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

6. **Conflict.** Whenever a conflict exists between terms in the Bylaws and the Declaration, or the Bylaws and the State law, the terms of the Declaration shall be controlling unless the state law is mandated to be controlling, which case the State law shall be controlling.

IN WITNESS WHEREOF, Declarant has caused these Bylaws to be executed this ____ day of _____ 2021.

DECLARANT OF 17-19 TOWNHOUSE ROAD CONDOMINIUM:

MDR REHAB AND DEVELOPMENT, LLC

By:

Name: Raymond McMahon, Manager
Duly authorized

Witness

COUNTY OF HILLSBOROUGH

STATE OF NEW HAMPSHIRE

Then personally appeared before me, the undersigned officer, the above-named Raymond McMahon, Manager of MDR Rehab and Development, LLC, known to me to be Declarant of 17-19 TOWNHOUSE ROAD CONDOMINIUM, and acknowledged that he executed the within instrument, for the purposes therein contained, for and on behalf of said Declarant, on this ____ day of _____ 2021.

/seal/

Notary Public / Justice of the Peace
Name:
My commission expires:

APPENDIX C

LIST OF UNIT NUMBERS AND PERCENTAGE INTEREST

| Unit Number | Street Address | Percentage Interest |
|--------------------|-----------------------|----------------------------|
| 1 | 17 Townhouse Road | 50% |
| 2 | 19 Townhouse Road | 50% |

17-19 TOWNHOUSE ROAD CONDOMINIUM

Proposed 2022 Budget

UNTIL A SEPARATE AMENDMENT TO THE DECLARATION IS RECORDED THERE SHALL BE NO BUDGET OR ASSESSMENTS. COSTS SHALL BE PAID BY THE UNIT OWNERS AS NEEDED AND AS THEY DECIDE FROM TIME TO TIME. UNTIL THAT TIME, THE UNIT OWNERS, JOINTLY AND SEVERALLY, SHALL BE RESPONSIBLE FOR THE COMMON AREA COSTS ASSOCIATED WITH

EXPENSES:

Plowing and Snow Removal

Lawn Care:

Electrical:

Insurance:

Maintenance and Repair:

**ARTICLES OF AGREEMENT
OF
17-19 TOWNHOUSE ROAD CONDOMINIUM UNIT OWNERS' ASSOCIATION
a New Hampshire Nonprofit Association**

We, the undersigned, being of lawful age, by these Articles of Agreement, have associated and do hereby associate ourselves together to form an Association pursuant to the provisions of Chapter 292 of the Revised Statutes Annotated of the State of New Hampshire and other laws and statutes of said State relating thereto under the corporate name and for the purposes herein set forth.

ARTICLE I

NAME

The name of this Association shall be 17-19 TOWNHOUSE ROAD CONDOMINIUM UNIT OWNERS' ASSOCIATION.

ARTICLE II

DEFINITIONS

1. Definitions as used herein shall be the same as specified in 17-19 TOWNHOUSE ROAD CONDOMINIUM DECLARATION, dated _____, 2021, and recorded in the Merrimack County Registry of Deeds at Book _____, Page _____ on _____, 2021; and also as specified in 17-19 TOWNHOUSE ROAD CONDOMINIUM UNIT OWNERS ASSOCIATION Bylaws, dated _____, 2021 and recorded in the Merrimack County Registry of Deeds with said Declaration.

ARTICLE III

PURPOSES

1. This Association is established and shall be operated exclusively to maintain and administer (subject to all rights of the Town of Allenstown) the Common Area and Limited Common Area of 17-19 TOWNHOUSE ROAD CONDOMINIUM, and to enforce the covenants and restrictions with respect thereto, and to collect and disburse assessments and charges pursuant to the "Declaration", as amended from time to time, including any such additions thereto as may be made pursuant to said Declaration, and for the maintenance, preservation and architectural control of the Units in the Buildings of the Condominium.

2. All assets and income of the Association shall be used exclusively for the objects herein and above set forth, including the payment of expenses incidental thereto. The Association shall not attempt to influence legislation by propaganda or otherwise, nor shall it intervene, directly or indirectly, in any political campaign on behalf of any candidate for public office.

ARTICLE IV

POWERS

This Association shall be empowered:

1. To appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation and require of such security or fidelity bonds as it deem expedient.
2. To establish, assess, levy and collect the assessments or charges against members to defray the costs, expenses and other obligations of the Association.
3. To use the proceeds of assessments and/or charges in the exercises of its powers and duties.
4. To operate, maintain, manage, administer and care for Common Area and Limited Common Area, and all such facilities and other property incidental thereto.
5. To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth in length, with all definitions of terms set forth therein being applicable to such terms in these Articles, provided, however, in any conflict between these Articles and the Declaration, these Articles shall control.
6. To obtain and/or employ and legal, accounting, administrative personnel and/or other services.
7. To make, adopt, amend, modify, and rescind from time to time and enforce rules and regulations governing the use and enjoyment of the Common Area, Limited Common Area, the Units, the Building, the Condominium, and the obligation of the Members.
8. To purchase or otherwise acquire title to an interest in, sell, lease, mortgage, subordinate and/or partially release and otherwise use, encumber and dispose of any interest in property, real or personal, tangible or intangible.
9. To open and maintain bank accounts, and to authorize the drawing of checks and other financial instruments, and to keep a full and complete record of all financial transactions, which records shall be reasonably available for inspection by the Members, and to prepare periodic financial reports and accountings as be required by the Members.
10. To borrow or raise moneys for any or the purposes of the Association and, from time to time without limit as to amount, to issue guarantees and to draw, make, accept, endorse, execute and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable or no-negotiable instrument and evidences of indebtedness and to secure the payment thereof and of interest thereon by mortgage or pledge, conveyance

or assignment in trust of the whole or any part of the Property of the Association.

11. To contract and enter into undertakings and agreements of every kind and description.

12. To consolidate or merge, on such terms and conditions as may be agreed upon, by purchase or lease from, or sale or lease to, or any other method and to the extent permitted by law, with other non-profit Association organized for similar purposes.

13. To contract for the management of the Association and the performance of its duties with a third party and delegate to said third party all of the powers and duties of the Association except those required by these Articles of the Declaration to have the approval of the Board or the Members.

14. To do any other thing, to the extent permitted by law, necessary to carry out and accomplish the purposes for which it is organized or intended to further the objects of the Association and to promote the common benefits and enjoyment of the Members.

ARTICLE V

DISSOLUTION

In the event the Association dissolves, its assets shall vest in the Members, as tenants in common, in the same percentage as their liability for common expenses.

ARTICLE VI

PLACE OF BUSINESS

Initially, the principal place of business of the Association shall be Unit # _____
Townhouse Road, Allenstown, Merrimack County, New Hampshire.

ARTICLE VII

CAPITAL STOCK

This Association shall not have capital stock.

ARTICLE VIII

MEMBERSHIP

All Members of the Association must be record Owners of a fee interest in a Unit within the Condominium and all such Owners shall automatically become Members of the Association. The Declarant, as identified and defined in the Declaration, shall be a Member for as long as Declarant owns at least one Unit in the Condominium.

Change of membership in the Association shall be established by recording at the Merrimack County Registry of Deeds, a deed or other instrument establishing record title to any Unit and delivery to the Association of appropriate notice of such recordation.

ARTICLE IX

EXISTENCE

The Association shall have perpetual existence.

ARTICLE X

LIMITATION OF LIABILITY OF OFFICERS AND DIRECTORS

No officer or director of the Association shall be personally liable for monetary damages for breach of fiduciary duty as a director, an officer, or both, except with respect to:

(1) Any breach of the director's or officer's duty of loyalty to the Association or its shareholders.

(2) Acts or omissions which are not in good faith, or which involve intentional misconduct or a knowing violation of law.

(3) Any transaction from which the director, officer, or both, derived an improper personal benefit.

IN WITNESS WHEREOF, the Incorporators have hereto affixed their signatures on this _____ day of _____ 2021.

**NAME AND SIGNATURE
OF INCORPORATOR**

POST OFFICE ADDRESS

1. _____
Signature

Printed Name

2. _____
Signature

Printed Name

